



Rep. Greg Harris

Filed: 3/12/2013

09800HB1460ham001

LRB098 07451 RPM 42706 a

1 AMENDMENT TO HOUSE BILL 1460

2 AMENDMENT NO. _____. Amend House Bill 1460 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Service Contract Act is amended by changing
5 Section 5 as follows:

6 (215 ILCS 152/5)

7 Sec. 5. Definitions.

8 "Department" means the Department of Insurance.

9 "Director" means the Director of Insurance.

10 "Road hazard" means a hazard that is encountered while
11 driving a motor vehicle, including, but not limited to,
12 potholes, rocks, wood debris, metal parts, glass, plastic,
13 curbs, and composite scraps.

14 "Service Contract" means a contract or agreement whereby a
15 service contract provider undertakes for a specified period of
16 time, for separate and identifiable consideration, to perform

1 the repair, replacement, or maintenance, or indemnification
2 for such services, of any automobile, system, or consumer
3 product in connection with the operational or structural
4 failure due to a defect in materials or workmanship, or normal
5 wear and tear, with or without additional provision for
6 incidental payment or indemnity under limited circumstances,
7 for related expenses, including, but not limited to, towing,
8 rental, and emergency road service. Service contracts may
9 provide for:

10 (1) the repair, replacement, or maintenance of such
11 property for damage resulting from power surges and
12 accidental damage from handling;

13 (2) the repair or replacement of tires or wheels, or
14 both, on a motor vehicle damaged as the result of coming
15 into contact with road hazards;

16 (3) the removal of dents, dings, or creases on a motor
17 vehicle that can be repaired using the process of paintless
18 dent removal without affecting the existing paint finish
19 and without replacing vehicle body panels, sanding,
20 bonding, or painting;

21 (4) the repair of chips or cracks in or the replacement
22 of motor vehicle windshields as a result of damage caused
23 by road hazards;

24 (5) the replacement of a motor vehicle key or key-fob
25 in the event that the key or key-fob becomes inoperable or
26 is lost or stolen;

1 (6) a protective chemical, substance, device, or
2 system that (A) is installed on or applied to a motor
3 vehicle, (B) is designed to prevent loss or damage to a
4 motor vehicle from a specific cause, and (C) includes a
5 written product warranty providing for payment to or on
6 behalf of the warranty holder's incidental costs in the
7 event that the product fails to prevent loss or damage as
8 specified; the reimbursement of incidental costs under the
9 warranty must be tied to the purchase of a physical product
10 that is formulated or designed to make the specified loss
11 or damage less likely to occur; or

12 (7) other services that may be approved by the
13 Director, if not inconsistent with other provisions of this
14 Act.

15 Service contracts shall not include:

16 (i) contracts of limited duration that provide for
17 scheduled maintenance only;

18 (ii) fuel additives, oil additives, or other chemical
19 products applied to the engine, transmission, or fuel
20 system of a motor vehicle;

21 (iii) coverage for the repair or replacement, or both,
22 of damage to the interior surfaces of a vehicle, or for
23 repair or replacement, or both, of damage to the exterior
24 paint or finish of a vehicle; however, such coverage may be
25 offered in connection with the sale of a protective
26 chemical, device, or system described in item (6) of this

1 definition.

2 "Service contract holder" means the person who purchases a
3 service contract or a permitted transferee.

4 "Service contract provider" means a person who is
5 contractually obligated to the service contract holder under
6 the terms of the service contract. A service contract provider
7 does not include an insurer.

8 "Service contract reimbursement insurance policy" means a
9 policy of insurance that is issued to the service contract
10 provider to provide reimbursement to the service contract
11 provider or to pay on behalf of the service contract provider
12 all covered contractual obligations incurred by the service
13 contract provider under the terms and conditions of the insured
14 service contracts issued or sold by the service contract
15 provider.

16 "System" means the heating, cooling, plumbing, electrical,
17 ventilation, or any other similar system of a home.

18 (Source: P.A. 90-711, eff. 8-7-98.)".