

HB2617



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2617

by Rep. Frank J. Mautino

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.39

Amends the Illinois Insurance Code. Provides that no vehicle protection product sold or offered for sale in this State shall be subject to the Service Contract Act.

LRB099 07332 MLM 27442 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 155.39 as follows:

6 (215 ILCS 5/155.39)

7 Sec. 155.39. Vehicle protection products.

8 (a) As used in this Section:

9 "Administrator" means a third party other than the
10 warrantor who is designated by the warrantor to be responsible
11 for the administration of vehicle protection product
12 warranties.

13 "Incidental costs" means expenses specified in the vehicle
14 protection product warranty incurred by the warranty holder
15 related to the failure of the vehicle protection product to
16 perform as provided in the warranty. Incidental costs may
17 include, without limitation, insurance policy deductibles,
18 rental vehicle charges, the difference between the actual value
19 of the stolen vehicle at the time of theft and the cost of a
20 replacement vehicle, sales taxes, registration fees,
21 transaction fees, and mechanical inspection fees.

22 "Vehicle protection product" means a vehicle protection
23 device, system, or service that is (i) installed on or applied

1 to a vehicle, (ii) is designed to prevent loss or damage to a
2 vehicle from a specific cause, (iii) includes a written
3 warranty by a warrantor that provides if the vehicle protection
4 product fails to prevent loss or damage to a vehicle from a
5 specific cause, that the warranty holder shall be paid
6 specified incidental costs by the warrantor as a result of the
7 failure of the vehicle protection product to perform pursuant
8 to the terms of the warranty, and (iv) the warrantor's
9 liability is covered by a warranty reimbursement insurance
10 policy. The term "vehicle protection product" shall include,
11 without limitation, alarm systems, body part marking products,
12 steering locks, window etch products, pedal and ignition locks,
13 fuel and ignition kill switches, and electronic, radio, and
14 satellite tracking devices.

15 "Vehicle protection product warrantor" or "warrantor"
16 means a person who is contractually obligated to the warranty
17 holder under the terms of the vehicle protection product.
18 Warrantor does not include an authorized insurer.

19 "Warranty reimbursement insurance policy" means a policy
20 of insurance issued to the vehicle protection product warrantor
21 to pay on behalf of the warrantor all covered contractual
22 obligations incurred by the warrantor under the terms and
23 conditions of the insured vehicle protection product
24 warranties sold by the warrantor. The warranty reimbursement
25 insurance policy shall be issued by an insurer authorized to do
26 business in this State that has filed its policy form with the

1 Department.

2 (b) No vehicle protection product sold or offered for sale
3 in this State shall be subject to the provisions of this Code
4 or the Service Contract Act.

5 Vehicle protection product warrantors and related vehicle
6 protection product sellers and warranty administrators
7 complying with this Section are not required to comply with and
8 are not subject to any other provision of this Code. The
9 vehicle protection products' written warranties are express
10 warranties and not insurance.

11 (c) This Section applies to all vehicle protection products
12 sold or offered for sale prior to, on, or after the effective
13 date of this amendatory Act of the 93rd General Assembly. The
14 enactment of this Section does not imply that vehicle
15 protection products should have been subject to regulation
16 under this Code prior to the enactment of this Section.

17 (Source: P.A. 95-331, eff. 8-21-07.)