

STATE OF NEW YORK

7210

2021-2022 Regular Sessions

IN ASSEMBLY

April 29, 2021

Introduced by M. of A. ZEBROWSKI -- read
once and referred to the
Committee on Insurance

AN ACT to amend the insurance law, in relation to
clarifying certain
provisions related to excess use or wear and
tear of a vehicle leased
for personal use for purposes of service
contracts

**The People of the State of New York, represented
in Senate and Assem-
bly, do enact as follows:**

1 Section 1. Subsection (k) of section 7902 of
the insurance law, as
2 separately amended by chapter 247 of the laws of
2019 and section 1 of
3 subpart Q of part XX of chapter 55 of the laws
of 2020, is amended to
4 read as follows:
5 (k) "Service contract" means a contract or
agreement, for a separate
6 or additional consideration, for a specific
duration to perform the
7 repair, replacement or maintenance of property, or
indemnification for

8 repair, replacement or maintenance, due to a
defect in materials or
9 workmanship or wear and tear, with or without
additional provision for
10 indemnity payments for incidental damages,
provided any such indemnity
11 payment per incident shall not exceed the purchase
price of the property
12 serviced. Service contracts may include towing,
rental and emergency
13 road service, and may also provide for the repair,
replacement or main-
14 tenance of property for damage resulting from
power surges and acci-
15 dental damage from handling. Service
contracts may also include
16 contracts to repair, replace or maintain
residential appliances and
17 systems. Such term shall also mean a contract or
agreement made (1) by
18 or for the manufacturer or seller of a motor
vehicle tire for repair or
19 replacement of the tire or wheel as the result of
damage arising from a
20 road hazard, (2) by or for the supplier or seller
of a service for
21 repair of chips or cracks in a motor vehicle
windshield, but not includ-
22 ing services that involve the replacement of the
entire windshield, (3)
23 by or for the supplier or seller of a service for
repair or removal of
24 dents, dings or creases from a motor vehicle
without affecting the

EXPLANATION--Matter in italics (underscored) is
new; matter in brackets
[-] is old law to be omitted.

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1 existing paint finish using paintless dent repair
techniques, but not

2 including services that involve the replacement of
vehicle body panels,

3 or sanding, bonding or painting; and (4) by or for
the supplier or sell-

4 er of a service for repair or replacement of a
motor vehicle key or key

5 fob in the event that the key or key fob becomes
inoperable, lost or

6 stolen. In conjunction with a motor vehicle
leased for personal use,

7 such term shall also mean a contract to perform the
repair, replacement

8 or maintenance of property, or to provide
indemnification for repair,

9 replacement or maintenance, due to excess wear and
use or damage for

10 items such as tires, paint cracks or chips,
interior stains, rips or

11 scratches, exterior dents or scratches, windshield
cracks or chips, or

12 missing interior or exterior parts that result in a
lease-end charge not

13 otherwise covered by a service agreement or
warranty, provided any such

14 payment shall not exceed the purchase price of the
vehicle.

15 § 2. This act shall take effect immediately.