

The Motor Vehicle Protection Products Association (“MVPPA”) is proposing legislation relating to motor vehicle service contracts and theft protection program warranties. These agreements and products, sold primarily by auto dealers, provide financial protection against damage to or theft of motor vehicles.

By way of background, MVPPA is a national trade association with member companies that include providers, retailers, administrators, and insurers of protection products. MVPPA’s primary goal is to establish a uniform, balanced regulatory landscape that minimizes confusion or dispute about the regulatory status of these products. MVPPA’s member companies offer over 80% of the protection products available in the marketplace today and include Ally Insurance, AmTrust Financial Services, Assurant Solutions, Toyota Motor Insurance Services, and CNA National Warranty Company.

This legislation seeks to clarify the statute by codifying existing treatment.

The proposed legislation will amend the existing statutory definition of service contract by expressly including the following services:

- a) Repair or replacement of tires and wheels damaged by road hazards;
- b) Removal of dents or creases repairable by paintless dent removal;
- c) the repair of small motor vehicle windshield chips or cracks which may include replacement of the windshield for chips or cracks that cannot be repaired
- d) Replacement of motor vehicle key or key-fob if it becomes inoperable or is lost or stolen; and
- e) Coverage for excess wear and use of a leased vehicle.

The legislation adds definitions for incidental costs, road hazard, theft protection product, and theft protection product warranty.

Finally, the legislation clarifies that theft protection program warranties are governed under the federal Mag-Moss Warranty Act.

This will bring Vermont’s statutes in line to how these products are treated in the majority of other states.

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*“Tire, wheel, windshield, dent, appearance care and other valuable coverage.”*