

## HOUSE BILL NO. HB0064

Vehicle service contracts.

Sponsored by: Representative(s) Brown and Burkhardt and  
Senator(s) Landen

A BILL

for

1 AN ACT relating to the insurance code; amending the scope  
2 of service contracts; specifying that theft protection  
3 program warranties are not insurance; specifying that theft  
4 protection programs and that protections program warrantees  
5 are not service contracts; amending and creating  
6 definitions; and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 26-1-104(a) by creating a new  
11 paragraph (viii), 26-49-101(d)(ii) and by creating a new  
12 paragraph (iv) and 26-49-102(a)(ix)(intro), (B), (C), by  
13 creating new subparagraphs (E) and (F) and by creating new  
14 paragraphs (xii) and (xiii) are amended to read:

15

1           **26-1-104. Applicability of provisions.**

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3           (a) This code does not apply to:

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5                   (viii) Theft protection program warrantees,  
6 except as referred to in chapter 49 of this code. Theft  
7 protection program warrantees shall not be considered  
8 insurance.

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10           **26-49-101. Scope and purposes.**

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12           (d) This article does not apply to:

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14                   (ii) To mechanical breakdown insurance  
15 organizations who maintain a license pursuant to W.S.  
16 26-37-106; ~~or~~

17

18                   (iv) Theft protection programs or their  
19 accompanying warranties except as used in this article to  
20 define service contracts.

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22           **26-49-102. Definitions.**

23

1 (a) As used in this article:

2

3 (ix) "Service contract" means a contract or  
4 agreement for a separately stated consideration for a  
5 specific duration to perform the repair, replacement or  
6 maintenance of property or indemnification for repair,  
7 replacement or maintenance, for the operational or  
8 structural failure due to a defect in materials or  
9 workmanship or normal wear and tear, with or without  
10 additional provision for incidental payment, incidental  
11 theft protection program payment or indemnity under limited  
12 circumstances, including, but not limited to, towing,  
13 rental and emergency road service. Service contracts may  
14 provide for the repair, replacement or maintenance of  
15 property for damage resulting from power surges and  
16 accidental damage from handling. "Service contract" also  
17 includes a contract or agreement for one (1) or more of the  
18 following:

19

20 (B) The repair or replacement of tires or  
21 wheels damaged as a result of coming into contact with  
22 ordinary road hazards. ~~including, but not limited to,~~  
23 ~~potholes, curbs, rocks, wood debris, metal parts, glass,~~

1 ~~plastic or composite scraps.~~ A contract or agreement  
2 meeting the definition set forth in this subparagraph in  
3 which the party obligated to perform is either a tire or  
4 wheel manufacturer or a motor vehicle manufacturer is  
5 exempt from the requirements of this chapter;

6

7 (C) The repair of small windshield chips or  
8 cracks ~~but which expressly excludes in or~~ the replacement  
9 of the entire windshield as a result of damage caused by  
10 road hazards;

11

12 (E) The replacement of a motor vehicle key  
13 or key fob in the event that the key or key fob becomes  
14 inoperable, lost or stolen;

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16 (F) In conjunction with a motor vehicle  
17 leased for use, the repair, replacement or maintenance of  
18 property or indemnification for repair, replacement or  
19 maintenance due to excess wear and use, damage to items  
20 such as tires, paint cracks or chips, interior stains, rips  
21 or scratches, exterior dents or scratches, windshield  
22 cracks or chips, missing interior or exterior parts or  
23 excess mileage that result in a lease-end charge, or any

1 other charge for damage that is deemed as excess wear and  
2 use by a lessor under a motor vehicle lease, provided that  
3 any repair, replacement, maintenance or indemnification  
4 shall not exceed the purchase price of the vehicle.

5  
6 (xii) "Incidental theft protection program  
7 payment" means expenses specified in a theft protection  
8 program warranty that are incurred by the warranty holder  
9 due to the failure of the warranty holder's theft  
10 protection program to pay or reimburse for the expenses.

11 Incidental theft protection program payments may include  
12 insurance policy deductibles, rental vehicle charges, the  
13 difference between the actual value of the stolen vehicle  
14 at the time of theft and the cost of a replacement vehicle,  
15 sales taxes, registration fees, transaction fees and  
16 mechanical inspection fees. Incidental theft protection  
17 program payments may be reimbursements in either a fixed  
18 amount specified in the theft protection program warranty  
19 or by use of a formula itemizing specific incidental theft  
20 protection program payments that may be due to the warranty  
21 holder;

22

1           (xiii) "Road hazard" means a hazard that is  
2 encountered while driving a motor vehicle and that may  
3 include, but is not limited to, potholes, rocks, wood  
4 debris, metal parts, glass, plastic, curbs or composite  
5 scraps.

6

7           **Section 2.** This act is effective July 1, 2022.

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9

(END)