

# STATE OF NEW YORK

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5847

2017-2018 Regular Sessions

## IN SENATE

May 3, 2017

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Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to expanding the availability of meaningful service contracts to protect New Yorkers leasing automobiles for their personal use from unanticipated "lease-end" charges related to excess use or wear and tear of the leased vehicle

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subsection (k) of section 7902 of the insurance law, as  
2 amended by chapter 409 of the laws of 2012, is amended to read as  
3 follows:

4 (k) "Service contract" means a contract or agreement, for a separate  
5 or additional consideration, for a specific duration to perform the  
6 repair, replacement or maintenance of property, or indemnification for  
7 repair, replacement or maintenance, due to a defect in materials or  
8 workmanship or wear and tear, with or without additional provision for  
9 indemnity payments for incidental damages, provided any such indemnity  
10 payment per incident shall not exceed the purchase price of the property  
11 serviced. Service contracts may include towing, rental and emergency  
12 road service, and may also provide for the repair, replacement or main-  
13 tenance of property for damage resulting from power surges and acci-  
14 dental damage from handling. Service contracts may also include  
15 contracts to repair, replace or maintain residential appliances and  
16 systems. Such term shall also mean a contract or agreement made (1) by  
17 or for the manufacturer or seller of a motor vehicle tire for repair or  
18 replacement of the tire or wheel as the result of damage arising from a  
19 road hazard, (2) by or for the supplier or seller of a service for  
20 repair of chips or cracks in a motor vehicle windshield, but not includ-  
21 ing services that involve the replacement of the entire windshield, and  
22 (3) by or for the supplier or seller of a service for repair or removal  
23 of 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. In conjunction with a motor vehicle  
4 leased for personal use, such term shall also mean a contract to perform  
5 the repair, replacement or maintenance of property, or to provide indem-  
6 nification for repair, replacement or maintenance, due to excess wear  
7 and use or damage for items such as tires, paint cracks or chips, inte-  
8 rior stains, rips or scratches, exterior dents or scratches, windshield  
9 cracks or chips, missing interior or exterior parts that result in a  
10 lease-end charge not otherwise covered by a service agreement or warran-  
11 ty, provided any such payment shall not exceed the purchase price of the  
12 vehicle.

13 § 2. This act shall take effect immediately.