

# STATE OF NEW YORK

6953

## IN SENATE

January 6, 2020

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

AN ACT to amend the insurance law, in relation to "lease-end" charges

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 a chapter of the laws of 2019, amending the insurance law  
3 relating to expanding the availability of meaningful service contracts  
4 to protect New Yorkers leasing automobiles for their personal use from  
5 unanticipated "lease-end" charges related to excess use or wear and tear  
6 of the leased vehicle, as proposed in legislative bills numbers S. 3631  
7 and A. 268, is amended to read as follows:

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

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

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1 or sanding, bonding or painting. In conjunction with a motor vehicle  
2 leased for personal use, such term shall also mean a contract to perform  
3 the repair, replacement or maintenance of property, or to provide indem-  
4 nification for repair, replacement or maintenance, due to excess wear  
5 and use or damage for [~~items such as tires, paint cracks or chips,~~  
6 interior stains, rips or scratches[, ~~exterior dents or scratches,~~  
7 ~~windshield cracks or chips,~~ or missing interior [~~or exterior~~] parts  
8 that result in a lease-end charge not otherwise covered by a service  
9 agreement or warranty, provided any such payment shall not exceed the  
10 purchase price of the vehicle.

11 § 2. This act shall take effect on the same date and in the same  
12 manner as a chapter of the laws of 2019, amending the insurance law  
13 relating to expanding the availability of meaningful service contracts  
14 to protect New Yorkers leasing automobiles for their personal use from  
15 unanticipated "lease-end" charges related to excess use or wear and tear  
16 of the leased vehicle, as proposed in legislative bills numbers S. 3631  
17 and A. 268, takes effect.