STATE OF NEW YORK

10591

IN ASSEMBLY

July 6, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Lunsford) -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to service contracts for accidental damages from handling

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

Section 1. Subsection (k) of section 7902 of the insurance law, as separately amended by chapter 247 of the laws of 2019 and section 1 of subpart Q of part XX of chapter 55 of the laws of 2020, is amended to read as follows:

(k) "Service contract" means a contract or agreement, for a separate or additional consideration, for a specific duration to perform the repair, replacement or maintenance of property, or indemnification for repair, replacement or maintenance, due to a defect in materials or workmanship or wear and tear, **power surges or accidental damages from handling,** with or without additional provision for indemnity payments for incidental damages, provided any such indemnity payment per incident shall not exceed the purchase price of the property serviced. Service contracts may include towing, rental and emergency road service[~~, and may also provide for the repair, replacement or maintenance of property for damage resulting from power surges and accidental damage from handling~~]. Service contracts may also include contracts to repair, replace or maintain residential appliances and systems. Such term shall also mean a contract or agreement made (1) by or for the manufacturer or seller of a motor vehicle tire for repair or replacement of the tire or wheel as the result of damage arising from a road hazard, (2) by or for the supplier or seller of a service for repair of chips or cracks in a motor vehicle windshield, but not including services that involve the replacement of the entire windshield, (3) by or for the supplier or seller of a service for repair or removal of dents, dings or creases from a motor vehicle without affecting the existing paint finish using paintless dent repair techniques, but not including services that involve the replacement of vehicle body panels, or sanding, bonding or painting; and (4) by or for the supplier or seller of a service for repair or replacement of a motor

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

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vehicle key or key fob in the event that the key or key fob becomes inoperable, lost or stolen. In conjunction with a motor vehicle leased for personal use, such term shall also mean a contract to perform the repair, replacement or maintenance of property, or to provide indemnification for repair, replacement or maintenance, due to excess wear and use or damage for interior stains, rips or scratches or missing interior parts that result in a lease-end charge not otherwise covered by a service agreement or warranty, provided any such payment shall not exceed the purchase price of the vehicle.

§ 2. This act shall take effect immediately.