

STATE OF NEW YORK

7210

2021-2022 Regular Sessions

IN ASSEMBLY

April 29, 2021

Introduced by M. of A. ZEBROWSKI -- read once and referred to the
Committee on Insurance

AN ACT to amend the insurance law, in relation to clarifying certain
provisions related to excess use or wear and tear of a vehicle leased
for personal use for purposes of service contracts

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

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

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

15 § 2. This act shall take effect immediately.