
DIGEST

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HB 554 Original

2024 Regular Session

Davis

Abstract: Removes the licensure requirement for vehicle protection product warrantors and instead provides for registration requirements.

Present law provides that a vehicle protection product is designed to prevent loss or damage to a vehicle from a specific cause.

Proposed law retains present law and adds that a vehicle protection product is also designed to prevent loss or damage to a component part.

Present law defines "warranty reimbursement insurance policy" as a policy of insurance that is issued to the vehicle product to provide reimbursement to the warrantor or payment on behalf of the warrantor.

Proposed law retains present law and adds a warranty reimbursement insurance policy provides payment on behalf of the warrantor if the warrant fails to perform his obligations under warranty.

Present law provides for licensing and filing requirements.

Proposed law replaces the licensure and filing requirements with registration requirements. Additionally, proposed law exempts a person conducting a vehicle protection product warranty business from any licensing requirements other than the registration requirements pursuant to proposed law.

Present law provides that warrantor registration records shall be filed annually and shall be updated within 30 days of any change. The registration records shall contain both of the following:

- (1) A copy of the warranty reimbursement insurance policy or policies or other financial information.
- (2) A copy of each warranty the warrantor proposes to use in this state.

Proposed law repeals present law.

Present law provides that no vehicle protection product shall be sold, or offered for sale in this state unless the warrantor meets one of several conditions, which includes filing a true and correct copy of the warranty reimbursement insurance policy with the executive director by the warrantor.

Proposed law repeals present law.

Present law requires a warrantor to provide the executive director certain documents filed with the SEC.

Proposed law retains present law and provides that documents should be provided upon request.

Present law provides that a warrantor's accounts, books, and records shall include dates, amounts, and descriptions of all receipts, claims, and expenditures.

Proposed law provides that a warrantor's accounts, books, and records shall include written claims files which shall contain at least the dates and description of claims related to the vehicle protection product warranties.

Present law requires a vehicle protection product warrantor to retain all required records for at least two years.

Proposed law changes the record keeping requirement from at least two years to one year.

(Amends R.S. 32:1272(intro. para.), (6)(intro. para) and (ii), and (10), 1274(Section heading), (A), and (E), 1275(2)(b), 1276(1), and 1279(B)(3) and (C); Adds R.S. 32:1274(F); Repeals R.S. 32:1274(B)(5) and (6), 1275(1)(b), and 1276(5))