

2016 Regular Session

HOUSE BILL NO. 340

BY REPRESENTATIVES STOKES, ARMES, BACALA, BAGLEY, CHAD BROWN,  
TERRY BROWN, CARMODY, CONNICK, COX, DAVIS, EDMONDS,  
HILFERTY, HOFFMANN, HORTON, JONES, LYONS, MIGUEZ, JAY MORRIS,  
PYLANT, REYNOLDS, WILLMOTT, AND ZERINGUE

1 AN ACT

2 To enact R.S. 51:1422, relative to the regulation of the sale or the solicitation for sale of an  
3 extended service agreement for motor vehicles; to provide certain requirements for  
4 unsolicited offers; to provide certain definitions, terms, conditions, procedures,  
5 exceptions, and effects; to classify a violation as a deceptive and unfair trade  
6 practice; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:1422 is hereby enacted to read as follows:

9 §1422. Unfair or deceptive trade practice; unsolicited offer to sell extended service  
10 agreement for a motor vehicle; requirements; exceptions; penalties

11 A. The provisions of this Section shall apply to an unsolicited offer, made  
12 by mail or common carrier, to sell to another an extended service agreement relative  
13 to a motor vehicle.

14 B. If the unsolicited offer is in writing, it shall state at the top of each page  
15 "THIS IS AN ADVERTISEMENT TO PURCHASE AN EXTENDED SERVICE  
16 AGREEMENT ON A MOTOR VEHICLE. IT IS NOT AN OFFICIAL  
17 DOCUMENT." The statement shall be in conspicuous and legible type that is not  
18 smaller than fourteen-point font and is in contrast by typography, layout, or color  
19 with any other printing on the writing.

20 C. If the unsolicited offer is oral, it shall begin and end with the statement:  
21 "THIS IS AN ADVERTISEMENT TO PURCHASE AN EXTENDED SERVICE  
22 AGREEMENT ON A MOTOR VEHICLE. IT IS NOT AN OFFICIAL  
23 NOTIFICATION OR DEMAND FOR ACTION."

1           D. A violation of the provisions of this Section shall constitute a deceptive  
 2           and unfair trade practice and subject the violator to any and all actions and penalties  
 3           authorized in this Chapter. Each offer in violation of this Section shall be considered  
 4           a separate offense.

5           E. For the purposes of this Section, "extended service agreement" shall  
 6           include any vehicle mechanical breakdown insurance policy, vehicle service contract  
 7           sold by an independent payment provider or their agent, or vehicle component  
 8           coverage contract. "Unsolicited offer" shall not include an offer made subsequent  
 9           to a prior personal contact that included a meaningful exchange between the offeror  
 10          and offeree.

11          F. The provisions of this Section shall not apply to any manufacturer,  
 12          distributor, or dealer of motor vehicles as defined in R.S. 32:1252, any vehicle  
 13          mechanical breakdown insurer licensed pursuant to R.S. 22:362, any person acting  
 14          pursuant to an agreement of and on behalf of such manufacturer, distributor, dealer,  
 15          or licensed vehicle mechanical breakdown insurer, any entity licensed pursuant to  
 16          R.S. 6:969.37, or any Federal Deposit Insurance Corporation (FDIC) or National  
 17          Credit Union Administration (NCUA) insured depository financial institution  
 18          operating with a main office or one or more branches in this state, or their  
 19          subsidiaries or affiliates.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_