

RÉSUMÉ DIGEST

ACT 657 (HB 340)

2016 Regular Session

Stokes

New law provides relative to an unsolicited offer, made by mail or common carrier, to sell to another an extended service agreement relative to a motor vehicle.

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

New law provides that if the unsolicited offer is oral, it shall begin and end with the statement: "THIS IS AN ADVERTISEMENT TO PURCHASE AN EXTENDED SERVICE AGREEMENT ON A MOTOR VEHICLE. IT IS NOT AN OFFICIAL NOTIFICATION OR DEMAND FOR ACTION."

New law provides that a violation of new law shall constitute a deceptive and unfair trade practice and subject the violator to any and all actions and penalties authorized for such violations. Further provides that each offer in violation of the new law shall be considered a separate offense.

New law defines "extended service agreement" to include any vehicle mechanical breakdown insurance policy, vehicle service contract sold by an independent payment provider or their agent, or vehicle component coverage contract. "Unsolicited offer" shall not include an offer made subsequent to a prior personal contact that included a meaningful exchange between the offeror and offeree.

New law provides exception from new law for any manufacturer, distributor, or dealer of motor vehicles as defined in existing law (R.S. 32:1252), any vehicle mechanical breakdown insurer licensed pursuant to existing law (R.S. 22:362), any person acting pursuant to an agreement of and on behalf of such manufacturer, distributor, dealer, or licensed vehicle mechanical breakdown insurer, any entity licensed pursuant to existing law (R.S. 6:969.37), or any Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insured depository financial institution operating with a main office or one or more branches in this state, or their subsidiaries or affiliates.

Effective August 1, 2016.

(Adds R.S. 51:1422)