

Article - Commercial Law

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§14-4A-08.

(a) A vehicle protection product warranty shall state:

(1) One of the following, as applicable:

(i) “The obligations of the warrantor to the warranty holder under this vehicle protection product warranty are guaranteed under a warranty reimbursement insurance policy. In the event payment due under the terms of the vehicle protection product warranty is not provided by the warrantor within 60 days after proof of loss has been filed by the warranty holder in accordance with the terms of the vehicle protection product warranty, the warranty holder may file a claim directly with the insurer that issued the warranty reimbursement insurance policy.”; or

(ii) “The obligations of the warrantor to the warranty holder under this vehicle protection product warranty are backed by the full faith and credit of the warrantor.”;

(2) The name and address of the insurer that issued the warranty reimbursement insurance policy to the warrantor, if applicable;

(3) The name and address of the warrantor, the seller of the vehicle protection product, and the warranty holder;

(4) The purchase price and terms of the vehicle protection product warranty, including a recital of the warrantor’s obligations under the vehicle protection product warranty;

(5) The duration of the warranty period measured by time or, if practicable, by some measure of usage such as mileage;

(6) The procedure for making a claim, including a telephone number the warranty holder may call to make a claim;

(7) The payments or services to be provided under the vehicle protection product warranty, including payments for incidental costs, the manner of calculating or determining the payments to be provided, and any limitations, exceptions, or exclusions;

(8) The duties of the warranty holder, including:

(i) Protection of the vehicle from damage;

(ii) Notification to the warrantor in advance of any repair; and

(iii) Any other similar duty;

(9) Any terms, restrictions, or conditions relating to the transfer of the vehicle protection product warranty; and

(10) The terms and conditions governing cancellation of the vehicle protection product.

(b) A vehicle protection product warranty shall include, in a prominent location, the following statement:

“This agreement is a product warranty and is not insurance.”

(c) If the sale of a vehicle protection product includes a vehicle protection product warranty, the seller of the vehicle protection product or the warrantor shall provide to the purchaser:

(1) At the time of sale, a written copy of the vehicle protection product warranty; or

(2) (i) At the time of sale, a receipt or other written evidence of the purchase of the vehicle protection product; and

(ii) Within 30 days after the date of the purchase, a written copy of the vehicle protection product warranty.

(d) The information required under subsection (a)(3) and (5) of this section may be added to or stamped on the vehicle protection product warranty instead of being preprinted on the vehicle protection product warranty.

(e) At the time of purchase of a vehicle protection product, a warrantor may negotiate with the purchaser the purchase price and terms of the vehicle protection product warranty.

(f) A vehicle protection product warranty may provide for the reimbursement of incidental costs incurred by the warranty holder:

(1) In a fixed amount specified in the vehicle protection product warranty;
or

(2) According to a formula that itemizes specific incidental costs incurred by the warranty holder.

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