

March 16, 2005

**H 645. AMEND WARRANTY/SERVICE AGREEMENT CO. LAWS. TO CLARIFY THAT MOTOR VEHICLE AND HOME APPLIANCE SERVICE AGREEMENT COMPANIES MUST FILE ALL SERVICE AGREEMENTS AND CONTRACTUAL LIABILITY POLICIES WITH THE COMMISSIONER, AND IF SUBMITTED ON PAPER, BE IN A SPECIFIED FORMAT; AUTHORIZE THE COMMISSIONER TO PROTECT CONSUMERS OF WARRANTY AND SERVICE AGREEMENTS UNDER JURISDICTION OF THE DEPARTMENT BY CEASE AND DESIST POWERS AND BY THE POWER TO EXAMINE AND SEIZE WARRANTY AND SERVICE AGREEMENT COMPANY VIOLATOR'S RECORDS; AND REORGANIZE AND ADD CLARIFYING DEFINITIONS REGARDING MECHANICAL SERVICE BREAKDOWN AGREEMENTS.** Amends GS 58-1-35(m), 58-1-36, and 58-1-42 as title indicates. Effective October 1, 2005.

**Intro. by Holliman.**

Ref. to Insurance

GS 58

May 12, 2005

**H 645. AMEND WARRANTY/SERVICE AGMT LAWS/STUDY (NEW).** Intro. 3/16/05. House committee substitute makes the following changes to 1st edition. Deletes amendments to GS 58-1-35(m), 58-1-36, and 58-1-42. Amends GS 58-1-36(a) effective January 1, 2006, to require that insurance maintained by warranty companies and motor vehicle and home appliance service agreement companies must be provided by a licensed insurer or an eligible surplus lines insurer (was, an authorized insurer). Effective July 1, 2005, requires that the Dep't of Insurance (DOI) study the regulation of warranties and service agreements and report its findings to the 2006 Regular Session of the General Assembly, and appropriates \$50,000 for 2005-06 from the General Fund to DOI to conduct the study.