

Effective 5/12/2020

31A-6a-101 Definitions.

As used in this chapter:

- (1) "Home warranty service contract" means a service contract that requires a person to repair or replace a component, system, or appliance of a home or make indemnification to the contract holder for the repair or replacement of a component, system, or appliance of the home:
 - (a) upon mechanical or operational failure of the component, system, or appliance;
 - (b) for a predetermined fee; and
 - (c) if:
 - (i) the person is not the builder, seller, or lessor of the home that is the subject of the contract; and
 - (ii) the failure described in Subsection (1)(a) occurs within a specified period of time.
- (2)
 - (a) "Incidental cost" means a cost, incurred by a warranty holder in relation to a vehicle protection product warranty, that is in addition to the cost of purchasing the warranty.
 - (b) "Incidental cost" includes an insurance policy deductible, a rental vehicle charge, the difference between the actual value of the stolen vehicle at the time of theft and the cost of a replacement vehicle, sales tax, a registration fee, a transaction fee, a mechanical inspection fee, or damage a theft causes to a vehicle.
- (3) "Mechanical breakdown insurance" means a policy, contract, or agreement issued by an insurance company that has complied with either Chapter 5, Domestic Stock and Mutual Insurance Corporations, or Chapter 14, Foreign Insurers, that undertakes to perform or provide repair or replacement service on goods or property, or indemnification for repair or replacement service, for the operational or structural failure of the goods or property due to a defect in materials, workmanship, or normal wear and tear.
- (4) "Nonmanufacturers' parts" means replacement parts not made for or by the original manufacturer of the goods commonly referred to as "after market parts."
- (5)
 - (a) "Road hazard" means a hazard that is encountered while driving a motor vehicle.
 - (b) "Road hazard" includes potholes, rocks, wood debris, metal parts, glass, plastic, curbs, or composite scraps.
- (6)
 - (a) "Service contract" means a contract or agreement to perform or reimburse for the repair or maintenance of goods or property, for their operational or structural failure due to a defect in materials, workmanship, normal wear and tear, power surge or interruption, or accidental damage from handling, with or without additional provision for incidental payment of indemnity under limited circumstances, including towing, providing a rental car, providing emergency road service, and covering food spoilage.
 - (b) "Service contract" does not include:
 - (i) mechanical breakdown insurance; or
 - (ii) a prepaid contract of limited duration that provides for scheduled maintenance only, regardless of whether the contract is executed before, on, or after May 9, 2017.
 - (c) "Service contract" includes any contract or agreement to perform or reimburse the service contract holder for any one or more of the following services:
 - (i) the repair or replacement of tires, wheels, or both on a motor vehicle damaged as a result of coming into contact with a road hazard;

- (ii) the removal of dents, dings, or creases on a motor vehicle that can be repaired using the process of paintless dent removal without affecting the existing paint finish and without replacing vehicle body panels, sanding, bonding, or painting;
 - (iii) the repair of chips or cracks in or the replacement of a motor vehicle windshield as a result of damage caused by a road hazard, that is primary to the coverage offered by the motor vehicle owner's motor vehicle insurance policy; or
 - (iv) the replacement of a motor vehicle key or key-fob if the key or key-fob becomes inoperable, lost, or stolen, except that the replacement of lost or stolen property is limited to only the replacement of a lost or stolen motor vehicle key or key-fob.
- (7) "Service contract holder" or "contract holder" means a person who purchases a service contract.
- (8) "Service contract provider" means a person who issues, makes, provides, administers, sells or offers to sell a service contract, or who is contractually obligated to provide service under a service contract.
- (9) "Service contract reimbursement policy" or "reimbursement insurance policy" means a policy of insurance providing coverage for all obligations and liabilities incurred by the service contract provider or warrantor under the terms of the service contract or vehicle protection product warranty issued by the provider or warrantor.
- (10)
- (a) "Vehicle protection product" means a device or system that is:
 - (i) installed on or applied to a motor vehicle; and
 - (ii) designed to:
 - (A) prevent the theft of the vehicle; or
 - (B) if the vehicle is stolen, aid in the recovery of the vehicle.
 - (b) "Vehicle protection product" includes:
 - (i) a vehicle protection product warranty;
 - (ii) an alarm system;
 - (iii) a body part marking product;
 - (iv) a steering lock;
 - (v) a window etch product;
 - (vi) a pedal and ignition lock;
 - (vii) a fuel and ignition kill switch; and
 - (viii) an electronic, radio, or satellite tracking device.
- (11) "Vehicle protection product warranty" means a written agreement by a warrantor that provides that if the vehicle protection product fails to prevent the theft of the motor vehicle, or aid in the recovery of the motor vehicle within a time period specified in the warranty, not exceeding 30 days after the day on which the motor vehicle is reported stolen, the warrantor will reimburse the warranty holder for incidental costs specified in the warranty, not exceeding \$5,000, or in a specified fixed amount not exceeding \$5,000.
- (12) "Vehicle service contract" means a service contract for the repair or maintenance of a vehicle:
 - (a) for operational or structural failure because of a defect in materials, workmanship, normal wear and tear, or accidental damage from handling; and
 - (b) with or without additional provision for incidental payment of indemnity under limited circumstances, including towing, providing a rental car, or providing emergency road service.
- (13) "Warrantor" means a person who is contractually obligated to the warranty holder under the terms of a vehicle protection product warranty.

(14) "Warranty holder" means the person who purchases a vehicle protection product, any authorized transferee or assignee of the purchaser, or any other person legally assuming the purchaser's rights under the vehicle protection product warranty.

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