

1390 the process of paintless dent removal without affecting the existing paint finish and without  
 1391 replacing vehicle body panels, sanding, bonding, or painting;

1392 (iii) the repair of chips or cracks in or the replacement of a motor vehicle windshield as  
 1393 a result of damage caused by a road hazard, that is primary to the coverage offered by the motor  
 1394 vehicle owner's motor vehicle insurance policy;

1395 (iv) the replacement of a motor vehicle key or key-fob if the key or key-fob becomes  
 1396 inoperable, lost, or stolen; or

1397 (v) other services that may be approved by the commissioner:

1398 (A) if not inconsistent with other provisions of this chapter; and

1399 (B) except that the replacement of lost or stolen property is limited to only the  
 1400 replacement of a lost or stolen motor vehicle key or key-fob.

1401 (b) "Service contract" does not include ~~§~~ → [z]

1402 ——— ~~(i)~~ ← ~~§~~ mechanical breakdown insurance [as defined in Subsection (1):] ~~§~~ → [z] . ← ~~§~~

1403 ~~§~~ → ~~[(ii) coverage for the repair, replacement, or both of damage to the interior surfaces of a~~  
 1404 ~~motor vehicle; or~~

1405 ——— ~~(iii) coverage for the repair, replacement, or both of damage to the exterior paint or~~  
 1406 ~~finish of a motor vehicle.~~

1407 ——— ~~(c) Coverage excluded from a service contract under Subsection (6)(b) may be offered~~  
 1408 ~~in connection with the sale of an appearance protection product.] ← ~~§~~~~

1409 ~~[(4)] (7) "Service contract holder" or "contract holder" means a person who purchases a~~  
 1410 ~~service contract.~~

1411 ~~[(5)] (8) "Service contract provider" means a person who issues, makes, provides,~~  
 1412 ~~administers, sells or offers to sell a service contract, or who is contractually obligated to~~  
 1413 ~~provide service under a service contract.~~

1414 ~~[(6)] (9) "Service contract reimbursement policy" or "reimbursement insurance policy"~~  
 1415 ~~means a policy of insurance providing coverage for all obligations and liabilities incurred by~~  
 1416 ~~the service contract provider under the terms of the service contract issued by the provider.~~

1417 (10) (a) "Vehicle protection product" means a device or system that is:

1418 (i) installed on or applied to a motor vehicle; and

1419 (ii) designed to prevent the theft of the vehicle.

1420 (b) "Vehicle protection product" includes:

1576 (c) a debt suspension agreement, unless licensed by the commissioner.

1577 (5) A warrantor or its representative may not require the purchase of an appearance  
 1578 protection product or vehicle protection product as a condition of the financing, lease, or  
 1579 purchase of a motor vehicle.

1580 Section 7. Section **31A-6a-111** is enacted to read:

1581 **31A-6a-111. Appearance protection product warranty requirements -- Vehicle**  
 1582 **protection product warranty requirements.**

1583 ~~§~~ → ~~[(1) The repair or reimbursement promised under an appearance protection product~~  
 1584 ~~warranty shall be tied to the purchase of a physical product that is formulated or designed to~~  
 1585 ~~make the specified loss or damage from a specific cause less likely to occur.~~

1586 ——— ~~(2)~~ ← ~~§~~ The fixed amount of reimbursement under a vehicle protection product warranty  
 1587 shall be uniform for all warranty holders of the same vehicle protection product warranty.

1588 Section 8. Section **31A-16-102.5** is enacted to read:

1589 **31A-16-102.5. Subsidiaries of insurers.**

1590 (1) (a) A domestic insurer may organize or acquire one or more subsidiaries either:

1591 (i) by itself; or

1592 (ii) in cooperation with one or more persons.

1593 (b) A subsidiary of a domestic insurer may conduct any kind of business or businesses  
 1594 and its authority to do so may not be limited by reason of the fact that it is a subsidiary of a  
 1595 domestic insurer.

1596 (2) (a) In addition to investments in common stock, preferred stock, debt obligations,  
 1597 and other securities permitted under all other sections of this chapter, a domestic insurer may  
 1598 also invest in the following securities of one or more subsidiaries:

1599 (i) common stock;

1600 (ii) preferred stock;

1601 (iii) debt obligations; or

1602 (iv) other securities.

1603 (b) Amounts under Subsection (2)(a) that do not exceed the lesser of 10% of the  
 1604 insurer's assets or 50% of the insurer's surplus as regards policyholders are permitted, if after  
 1605 the investments, the insurer's surplus as regards policyholders will be reasonable in relation to  
 1606 the insurer's outstanding liabilities and adequate to meet its financial needs.

4427 (b) pay claims directly to an individual employee, member, or participant.

4428 Section 52. Section **63I-2-231** is amended to read:

4429 **63I-2-231. Repeal dates, Title 31A.**

4430 (1) Section **31A-22-315.5** is repealed July 1, 2016.

4431 (2) Title 31A, Chapter 42, Defined Contribution Risk Adjuster Act, is repealed July 1,  
4432 [~~2015~~] 2016.

4433 Section 53. **Repealer.**

4434 This bill repeals:

4435 Section **31A-37-205, Free surplus.**

4436 Section **31A-37-601, Incorporation of a captive reinsurance company.**

4437 Section **31A-37-602, Requirements of a captive reinsurance company.**

4438 Section **31A-37-603, Minimum capitalization or reserves for a captive reinsurance**  
4439 **company.**

4440 Section **31A-37-604, Management of assets of a captive reinsurance company.**

4441 Section 54. **Effective date.**

4442 This bill takes effect on May 12, 2015, except that ~~§~~ → :

4442a (1) ~~←~~ ~~§~~ the amendments in this bill to

4443 Section **31A-3-304** (Effective 07/01/15) take effect on July 1, 2015 ~~§~~ → [ ] ; and

4443a **(2) the actions affecting the following sections in this bill take effect on October 1, 2015:**

4443b **(a) Section 31A-16-102.5;**

4443c **(b) Section 31A-16-103;**

4443d **(c) Section 31A-16-104.5;**

4443e **(d) Section 31A-16-105;**

4443f **(e) Section 31A-16-106;**

4443g **(f) Section 31A-16-107.5;**

4443h **(g) Section 31A-16-108.5;**

4443i **(h) Section 31A-16-109;**

4443j **(i) Section 31A-16-112;**

4443k **(j) Section 31A-16-113;**

4443l **(k) Section 31A-16-114;**

4443m **(l) Section 31A-16-115;**

4443n **(m) Section 31A-16-116;**

4443o **(n) Section 31A-16-117;**

4443p **(o) Section 31A-16-118; and**

4443q **(p) Section 31A-16-119. ~~←~~ ~~§~~**