

VEHICLE PROTECTION PRODUCT ACT (EXCERPT)
Act 263 of 2005

***** 257.1243.new THIS NEW SECTION IS EFFECTIVE JUNE 14, 2006 *****

257.1243.new Definitions.

Sec. 3. As used in this act:

(a) "Administrator" means a third party other than the warrantor who is designated by the warrantor to be responsible for the administration of vehicle protection product warranties in this state.

(b) "Department" means the department of labor and economic growth.

(c) "Incidental costs" means expenses specified in a warranty incurred by a warranty holder and related to the failure of a vehicle protection product to perform as provided in the warranty. Incidental costs may include, but are not limited to, insurance policy deductibles, rental vehicle charges, the difference between the actual value of a stolen vehicle at the time of theft and the cost of a replacement vehicle, sales taxes, registration fees, transaction fees, and mechanical inspection fees.

(d) "Person" means an individual, partnership, corporation, limited liability company, association, or other legal entity.

(e) "Vehicle protection product" means a vehicle protection device, system, or service that is installed on or applied to a vehicle and is designed to prevent loss or damage to a vehicle from a specific cause. Except as provided in this subdivision, the term includes, but is not limited to, alarm systems, body part marking products, steering locks, window etch products, pedal and ignition locks, fuel and ignition kill switches, and electronic, radio, and satellite tracking devices. The term does not include a vehicle protection device, system, or service that is installed on or applied to a vehicle by the vehicle manufacturer at the vehicle assembly facility.

(f) "Vehicle protection product warrantor" or "warrantor" means a person that is contractually obligated to a warranty holder under the terms of a vehicle protection product warranty agreement. Warrantor does not include an insurer regulated under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302.

(g) "Vehicle protection product warranty" or "warranty" means a written agreement by a warrantor that provides if a warranted product fails to prevent loss or damage to a vehicle from a specific cause covered by the warranty, the warrantor shall pay the warranty holder specified incidental costs that result from the failure of the warranted product to perform.

(h) "Warranted product" means a vehicle protection product covered by a written warranty.

(i) "Warranty holder" means a person who purchases a warranted product or who is a permitted transferee.

(j) "Warranty reimbursement insurance policy" means a policy of insurance that is issued to a vehicle protection product warrantor to provide reimbursement to the warrantor or to pay on behalf of the warrantor all covered contractual obligations incurred by the warrantor under the terms and conditions of an insured vehicle protection product warranty sold by a warrantor.

History: 2005, Act 263, Eff. June 14, 2006.