



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-3572/1
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2021 SENATE BILL 655

October 20, 2021 - Introduced by Senator ROTH, cosponsored by Representatives PETRYK, MURSAU, ROZAR and WICHGERS. Referred to Committee on Insurance, Licensing and Forestry.

1 **AN ACT** *to amend* 100.203 (1) (e); and *to create* 100.203 (2) (e), 616.50 (11) (g)
2 and 616.50 (11) (h) of the statutes; **relating to:** motor vehicle service contracts
3 and vehicle protection product warranties.

Analysis by the Legislative Reference Bureau

Under current law, service contracts are generally exempt from regulation under the insurance statutes but are subject to limited regulation by the Office of the Commissioner of Insurance. Service contracts with motor vehicle manufacturers are subject to some of those limited regulations. Service contracts, as defined in current law, are contracts or agreements for separate consideration for a specified time period to perform repair, replacement, or maintenance of property under certain circumstances. Current law provides a list of contracts or agreements that constitute service contracts. This bill adds to the list the repair or replacement of a motor vehicle key or key fob that has become inoperable or is lost or stolen. The bill also adds to the list the repair, replacement, or maintenance of a motor vehicle, directly or by indemnification, for excess wear that results in excess wear and use charges at the end of a lease under a motor vehicle lease agreement, if the value of any benefits under the contract or agreement does not exceed the purchase price of the motor vehicle.

Also, current law requires a person obligated by a warranty (warrantor) for a vehicle protection product that prevents loss or damage to vehicles to register and

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file certain information with OCI. The bill specifies that a warrantor is not required to obtain approval from OCI for the terms of a vehicle protection product warranty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 100.203 (1) (e) of the statutes is amended to read:

2 100.203 (1) (e) “Vehicle protection product” means a device, system, or service
3 installed on or applied to a vehicle that is designed to prevent loss or damage to the
4 vehicle. “Vehicle protection product” includes alarm systems, body-part marking
5 products, steering locks, window-etch products, pedal and ignition locks, fuel and
6 ignition kill switches, and electronic, radio, and satellite tracking devices. “Vehicle
7 protection product” does not include a chemical or substance applied to an exterior
8 or interior surface of a vehicle to maintain and protect the vehicle’s appearance.

9 **SECTION 2.** 100.203 (2) (e) of the statutes is created to read:

10 100.203 (2) (e) A warrantor is not required to obtain approval from the office
11 for the terms of a warranty.

12 **SECTION 3.** 616.50 (11) (g) of the statutes is created to read:

13 616.50 (11) (g) The repair or replacement of a motor vehicle key or key fob in
14 the event that the key or key fob becomes inoperable or is lost or stolen.

15 **SECTION 4.** 616.50 (11) (h) of the statutes is created to read:

16 616.50 (11) (h) The repair, replacement, or maintenance of a motor vehicle, or
17 indemnification for the repair, replacement, or maintenance, for excess wear to the
18 motor vehicle that results in excess wear and use charges at the end of a lease that
19 are assessed by a lessor under a motor vehicle lease agreement, if the value of any

