

(b) (1) [Any] A provider of services under a mechanical repair contract shall maintain adequate insurance reserves, as defined by the Insurance Commissioner, for each such contract for the protection of the purchasing consumer. A policy of insurance providing coverage for all obligations and liabilities incurred by a provider under the terms of a mechanical repair contract shall constitute adequate insurance reserves.

(2) The reserves shall be maintained with an insurer authorized to do business in Maryland on an admitted or surplus lines basis.

(3) [Any] A purchaser of a mechanical repair contract shall be entitled to make a direct claim against the insurer issuing a policy of insurance under this subsection upon failure of the specified provider to pay any claim or make any refund or consideration due within 60 days after the proof is filed with the provider.

(c) [Any extended warranty or] A mechanical repair contract shall be offered in addition to any express warranty originally included as part of the contract for sale of a new motor vehicle.

(d) [Any extended warranty or] A mechanical repair contract shall clearly and conspicuously set forth the date when the warranty begins.

(e) [Any extended warranty or] A mechanical repair contract shall clearly and conspicuously set forth the date or the odometer reading at which the warranty expires and the name and address of the insurer issuing the policy of insurance as described in subsection (b) of this section.

~~(F) A MECHANICAL REPAIR CONTRACT SHALL COVER THE COST OF DETERMINING WHETHER A MALFUNCTION OR DEFECT IS COVERED UNDER THE WARRANTY.~~

~~(G) (1) AFTER THE WARRANTY PERIOD TERMINATES, A MECHANICAL REPAIR CONTRACT SHALL CONTINUE TO COVER THE REPAIR OF A MALFUNCTION OR DEFECT THAT WAS COVERED UNDER THE WARRANTY IF, DURING THE WARRANTY PERIOD, THE CONSUMER HAS SENT WRITTEN NOTICE OF THE MALFUNCTION OR DEFECT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE SPECIFIED PROVIDER OF SERVICES.~~

~~(2) A MECHANICAL REPAIR CONTRACT SHALL CLEARLY AND CONSPICUOUSLY SPECIFY THE NOTIFICATION PROCEDURE TO BE FOLLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

(F) THE REPAIR OF A MALFUNCTION OR DEFECT COVERED UNDER A MECHANICAL REPAIR CONTRACT SHALL INCLUDE THE COST OF THE TEARDOWN AND DIAGNOSING THE MALFUNCTION OR DEFECT.

(G) THE PROVISIONS OF THE MARYLAND CONSUMER PRODUCTS GUARANTY ACT, TITLE 14, SUBTITLE 4 OF THE COMMERCIAL LAW ARTICLE, APPLY TO A MECHANICAL REPAIR CONTRACT SOLD BY A LICENSED VEHICLE DEALER.

(H) IF, AFTER A REQUEST BY THE PURCHASER OF A MECHANICAL REPAIR CONTRACT, THE PROVIDER OF SERVICES FAILS TO HONOR THE TERMS OF THE MECHANICAL REPAIR CONTRACT, THE PROVIDER SHALL PAY TO THE PURCHASER