

Martin O'Malley
Governor

Senate Bill 502

AN ACT concerning

Commercial Law - Consumer Protection - Vehicle Protection Products Act

FOR the purpose of prohibiting a vehicle protection product from being sold or offered for sale in the State unless the seller and the warrantor of the vehicle protection product, and the warrantor's administrator, comply with the provisions of this Act; providing that a seller, warrantor, or administrator that complies with this Act is not required to comply with certain provisions of law; requiring a warrantor of a vehicle protection product that is sold or offered for sale in the State to register with the Division of Consumer Protection of the Office of the Attorney General; requiring a registration form to include certain information; requiring a warrantor that registers with the Division to pay a certain registration fee and renewal fee; providing that certain information shall be made available to the public under certain circumstances; requiring a certain warrantor to maintain certain accounts, books, and records for a certain period of time and to make the accounts, books, and records available for inspection by the Division; requiring a certain warrantor to be insured under a certain warranty reimbursement insurance policy or to maintain a certain amount of net worth or stockholders' equity; requiring a warranty reimbursement insurance policy to contain certain provisions; specifying certain contents of a vehicle protection product warranty; authorizing a vehicle protection product warranty to provide for the reimbursement of certain incidental costs; requiring a seller or warrantor of a vehicle protection product to provide a written copy of a vehicle protection product warranty to a purchaser at a certain time; providing that a certain warrantor may negotiate the purchase price of a vehicle protection product warranty; prohibiting a vehicle protection product warrantor from using certain terms in its name, contracts, or literature; authorizing a vehicle protection product warrantor to use a certain term in its name; prohibiting a vehicle protection product seller or warrantor from requiring, as a condition of the sale or financing of a vehicle, that the purchaser of the vehicle buy a vehicle protection product; providing for the resolution of disputes between a vehicle protection product warrantor and a warranty holder; providing that a violation of this Act is an unfair or deceptive trade practice under the Maryland Consumer Protection Act and is subject to certain enforcement and penalty provisions; establishing a certain short title; defining certain terms; providing for the application of this Act; prohibiting this Act from being interpreted in a certain manner; providing for a delayed effective date; and generally relating to the Vehicle Protection Products Act.