

HB 1977 -- Missouri Vehicle Protection Product Act

Sponsor: Faith

This bill establishes the Missouri Vehicle Protection Product Act regarding any person selling or offering a vehicle protection warranty agreement. In its main provisions, the bill:

- (1) Requires a vehicle protection product warrantor to annually register with the Department of Insurance, Financial Institutions, and Professional Registration and to keep accurate accounts, books, and records concerning transactions regulated by the act;
- (2) Prohibits a vehicle protection product warrantor from using in its name, contracts, or literature the words "insurance," "casualty," "surety," or "mutual" unless it is licensed as an insurance company;
- (3) Requires every vehicle protection product warranty to be written in clear, understandable language and specifies the requirements of the warranty;
- (4) Prohibits a person from selling or offering for sale a vehicle protection product warranty unless it clearly states the terms and conditions governing the cancellation of the sale and warranty; and
- (5) Prohibits any person from selling or offering for sale any vehicle protection product unless the warrantor acquires insurance under a warranty reimbursement insurance policy or maintains a net worth or stockholder's equity of \$50 million.

The bill becomes effective January 1, 2009.