

Senate Bill 140

By: Senators Murphy of the 27th, Miller of the 49th, Mullis of the 53rd, Ginn of the 47th and Gooch of the 51st

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To amend Code Section 33-7-6 of the Official Code of Georgia Annotated, relating to
2 property insurance, contract requirements, rules and regulations, and exemptions, so as to
3 include contracts, agreements, and instruments for the repair of certain wear and tear of a
4 motor vehicle to include rips, burns, tears, holes, and punctures to interior fabric or carpet,
5 cosmetic repair to aluminum or painted wheels, and exterior reconditioning of foggy or
6 yellowed headlights within the definition of property insurance in a manner similar to vehicle
7 service agreements or extended warranty agreements; to provide for related matters; to repeal
8 conflicting laws; and for other purposes.

9 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

10 **SECTION 1.**

11 Code Section 33-7-6 of the Official Code of Georgia Annotated, relating to property
12 insurance, contract requirements, rules and regulations, and exemptions, is amended by
13 revising paragraph (1) of subsection (b) as follows:

14 "(1) Any contract, agreement, or instrument whereby a person assumes the risk of and
15 the expense or portion thereof for:

16 (A) The ~~the~~ mechanical breakdown or mechanical failure of a motor vehicle; or for the

17 (B) The repair of certain reasonable motor vehicle wear and tear sustained in ordinary
18 use, such as:

19 (i) The removal of dents, dings, or creases in a motor vehicle without affecting the
20 existing paint finish using paintless dent repair techniques; or the

21 (ii) The removal of small windshield chips and cracks without replacement of the
22 entire windshield;

23 (iii) The repair of rips, burns, tears, holes, and punctures to interior fabric or carpet;

24 (iv) Cosmetic repair of minor scuffs, scratches, scrapes, or rash on exterior plastic
25 surfaces, including, but not limited to, bumpers;

26 (v) Cosmetic repair to aluminum or painted wheels when the normal appearance of
27 the wheel is altered with minor curb scuffs, scratches, scrapes, or rash; or
28 (vi) Exterior reconditioning of foggy or yellowed headlights to restore clarity and
29 luster,

30 and shall include those agreements commonly known as vehicle service agreements or
31 extended warranty agreements, if made by a person other than the motor vehicle
32 manufacturer in exchange for a separately stated charge or the cost of the contract or
33 contracts is included on a nonidentifiable basis in the cost of a motor vehicle sold in
34 conjunction therewith, except that this provision shall not apply to an agreement underwritten
35 by an insurer licensed to transact insurance in this state, either directly or through a
36 reinsurance contract or, without regard to the requirement that the insurance cannot be
37 obtained from an insurer authorized to do business in this state as required by Code
38 Section 33-5-21, to an agreement underwritten by a surplus lines insurer which has not been
39 rejected by the Commissioner for such purpose;"

40 **SECTION 2.**

41 All laws and parts of laws in conflict with this Act are repealed.