

JAN 18 2019

A BILL FOR AN ACT

RELATING TO SERVICE CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 481X-2, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Road hazard" means a hazard that is encountered while
6 driving a motor vehicle, which may include but not be limited to
7 potholes, rocks, wood debris, metal parts, glass, plastic,
8 curbs, or composite scraps."

9 2. By amending the definition of "service contract" to
10 read:

11 "Service contract" means a contract or agreement for a
12 separately stated consideration and a specific duration[~~,-to~~]:

13 (1) To perform or indemnify the repair, replacement, or
14 maintenance of property for operational or structure
15 failure due either to a defect in materials or
16 artisanship, or to normal wear and tear, with or
17 without additional provision for incidental payment or



1 indemnity under limited circumstances, including but
2 not limited to towing, rental, and emergency road
3 service [-]; or

4 (2) For performance of one or more of the following
5 services:

6 (A) The repair or replacement of tires or wheels on a
7 motor vehicle damaged as a result of coming into
8 contact with a road hazard;

9 (B) The removal of dents, dings, or creases on a
10 motor vehicle that can be repaired using the
11 process of paintless dent removal without
12 affecting the existing paint finish and without
13 replacing vehicle body panels, sanding, bonding,
14 or painting;

15 (C) The repair of chips or cracks in a motor vehicle
16 windshield or the replacement of a motor vehicle
17 windshield as a result of damage caused by a road
18 hazard;

19 (D) The replacement of a motor vehicle key or key-fob
20 in the event that the key or key-fob becomes
21 inoperable, lost, or stolen; or



1 (E) Other services which may be approved by the
2 commissioner, if not inconsistent with other
3 provisions of this chapter.

4 Service contracts may provide for the repair, replacement, or
5 maintenance of property damaged by power surges, or accidentally
6 damaged during handling."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on July 1, 2019.

10

INTRODUCED BY: Rosalyn H. Bahr
RB



S.B. NO. 809

Report Title:

Service Contracts

Description:

Clarifies the allowable scope of service contracts regulated by the Insurance Commissioner to include contracts for certain motor vehicle repair and replacement services.

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