

LEGISLATIVE BILL 188

Approved by the Governor May 16, 2007

Introduced by Mines, 18

FOR AN ACT relating to motor vehicle service contracts; to amend section 44-3522, Revised Statutes Cumulative Supplement, 2006; to eliminate a notice requirement; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 44-3522, Revised Statutes Cumulative Supplement, 2006, is amended to read:

44-3522 No motor vehicle service contract shall be issued, sold, or offered for sale in this state unless:

(1) The motor vehicle service contract provider is insured under a motor vehicle service contract reimbursement insurance policy issued by an insurer authorized to do business in this state;

(2) True and correct copies of the motor vehicle service contract and the motor vehicle service contract reimbursement insurance policy have been filed with the director; and

(3) The contract conspicuously states:

(a) That the obligations of the motor vehicle service contract provider to the service contract holder are covered under the motor vehicle service contract reimbursement insurance policy; and

(b) The name and address of the issuer of the motor vehicle service contract reimbursement insurance policy. + and

~~(4) The service contract, or a separate form provided with the service contract, shall contain the following notice in a conspicuous place as determined by the Department of Insurance:~~

~~"NOTICE OF RISKS - Neither the motor vehicle service contract nor the motor vehicle service contract reimbursement insurance policy are covered by the Nebraska Property and Liability Insurance Guaranty Association Act and, in the event of insolvency of any party to the contract, no coverage for any losses exists from the Nebraska Property and Liability Insurance Guaranty Association.~~

~~The issuer of the motor vehicle service contract reimbursement insurance policy is not a domestic entity and the Department of Insurance can give no assurance that the issuer has adequate reserves to cover potential losses.~~

~~I have read this NOTICE OF RISKS (initials of service contract holder)."~~

~~The second paragraph of the notice is not required if the motor vehicle service contract reimbursement insurance policy is issued by an insurer that is domiciled in Nebraska.~~

Sec. 2. Original section 44-3522, Revised Statutes Cumulative Supplement, 2006, is repealed.

Sec. 3. Since an emergency exists, this act takes effect when passed and approved according to law.