

## CHAPTER 79

Substitute for HOUSE BILL No. 2725°

AN ACT relating to vehicle protection products;  
providing exemption from insurance laws.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. (a) As used in this section:

(1) "Vehicle protection product" means a vehicle protection device, system or service that is:

(A) Installed on or applied to a vehicle;

(B) is designed to prevent loss or damage to a vehicle from a specific cause; and

(C) includes a written warranty.

For purposes of this section, the term vehicle protection product shall include, without limitation, alarm systems, body part marking products, steering locks, window etch products, pedal and ignition locks, fuel and ignition kill switches and electronic, radio and satellite tracking devices;

(2) "vehicle protection product warranty" or "warranty" means a written agreement by a warrantor that provides if the vehicle protection product fails to prevent loss or damage to a vehicle from a specific cause, that the warrantor will pay to or on behalf of the warranty holder specified incidental costs as a result of the failure of the vehicle protection product to perform pursuant to the terms of the warranty;

(3) "incidental costs" means expenses specified in the warranty incurred by the warranty holder related to the failure of the vehicle protection product to perform as provided in the warranty. Incidental costs may include, without limitation, insurance policy deductibles, rental vehicle charges, the difference between the actual value of the stolen vehicle at the time of theft and the cost of a replacement vehicle, sales taxes, registration fees, transaction fees and mechanical inspection fees; and

(4) "warrantor" means a person who is contractually obligated to the warranty holder under the terms of the vehicle protection product warranty agreement. Warrantor does not include an authorized insurer providing a warranty reimbursement insurance policy.

(b) Vehicle protection products are not required to comply with and are not subject to any provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(c) The adoption of this section does not imply that a vehicle protection product warranty was insurance prior to July 1, 2008.

Sec. 2. (a) Incidental costs may be reimbursed under the provisions of the vehicle protection product warranty in either a fixed amount specified in the warranty or sales agreement or by the use of a formula itemizing specific incidental costs incurred by the vehicle protection product warranty holder.

(b) A vehicle protection product seller or warrantor may not require as a condition of financing that a retail purchaser of a motor vehicle purchase a vehicle protection product.

(c) The failure of any person to comply with this section prior to July 1, 2008, shall not be admissible in any court proceeding, administrative proceeding, arbitration or alternative dispute resolution proceeding and may not otherwise be used to prove that the action of any person or the affected vehicle protection product was unlawful or otherwise improper.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 11, 2008.

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