

**Testimony of Jim Burleson**  
**Assistant General Counsel and Associate Executive Director**  
**Motor Vehicle Protection Products Association**  
**House Insurance Committee**  
**Support of HB 2233**  
**February 9, 2017**

Mr. Chairman, members of the Committee, my name is Jim Burleson and I am the assistant general counsel and associate executive director of the Motor Vehicle Protection Products Association (“MVPPA” or the “Association”).

MVPPA’s 40+ member companies include insurance companies and service contract providers, administrators, and sellers offering the products which this legislation seeks to expressly authorize and represents about 80% of the marketplace for these products.

Under Kansas law, “service contracts” are not regarded as the sale of insurance. We are pleased to appear before you in support of House Bill 2233 which would clarify the definition of “service contract” to specifically identify certain limited service contracts that are currently exempt under the general definition of service contracts. These are the repair and/or replacement of tires and wheels damaged by road hazards, the repair or replacement of a windshield damaged by road hazards, paintless dent repair, and the repair or replacement of keys or key-fobs that are damaged, lost, or stolen.

Although these products fall under the existing general definition of service contract, specifically enumerating them will provide clarity and certainty to businesses that operate in the state. It will also provide a level of national consistency for these business as many other states have likewise amended their definition of service contract to expressly include these products. Specifically:

- tire and wheel repair and/or replacement is authorized as a service contract in 29 states including Colorado, Missouri, Nebraska, Oklahoma, Texas, and Wyoming;
- windshield repair and/or replacement is authorized as a service contract in 28 states including Colorado, Missouri, Nebraska, Oklahoma, Texas, and Wyoming;
- paintless dent repair is authorized as a service contract in 29 states including Colorado, Missouri, Nebraska, Oklahoma, and Wyoming; and
- key and/or key-fob coverage is authorized as a service contract in 20 states including Colorado, Missouri, Nebraska, Oklahoma, Texas, and Wyoming.

Again, thank you for this opportunity and I would be glad to stand for questions.

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