

HB582 INTRODUCED



1 HB582
2 DG4VMNT-1
3 By Representative Paramore
4 RFD: Commerce and Small Business
5 First Read: 05-Mar-26



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SYNOPSIS:

Under existing law, the Vehicle Protection Product Act regulates vehicle protection product warrantors and associated vehicle protection products, which include vehicle protection devices, systems, or services that are installed on a vehicle, designed to prevent loss or damage to the vehicle, and include a written warranty.

This bill would revise the Vehicle Protection Product Act to include component parts of a vehicle within the meaning of vehicle protection product.

A BILL
TO BE ENTITLED
AN ACT

Relating to consumer protection; to amend Section 8-33-2, Code of Alabama 1975, to provide that the requirements of the Vehicle Protection Product Act apply to component parts of a vehicle.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 8-33-2, Code of Alabama 1975, is amended to read as follows:

"§8-33-2



HB582 INTRODUCED

29 As used in this chapter, the following words ~~shall~~ have
30 the following meanings:

31 (1) ADMINISTRATOR. A third party other than the
32 warrantor who is designated by the warrantor to be responsible
33 for the administration of vehicle protection product
34 warranties.

35 (2) COMMISSIONER. The Commissioner of the Department of
36 Insurance.

37 (3) COMPONENT PART. Any individual, functional part of
38 a vehicle which, when combined with other parts, constitutes a
39 motor vehicle. The term includes an engine, transmission, and
40 body panel.

41 ~~(3)~~ (4) DEPARTMENT. The Department of Insurance.

42 ~~(4)~~ (5) INCIDENTAL COSTS. Expenses specified in the
43 warranty incurred by the warranty holder related to the
44 failure of the vehicle protection product to perform as
45 provided in the warranty. Incidental costs may include,
46 without limitation, insurance policy deductibles, rental
47 vehicle charges, the difference between the actual value of
48 the stolen vehicle at the time of theft and the cost of a
49 replacement vehicle, sales taxes, registration fees,
50 transaction fees, and mechanical inspection fees.

51 ~~(5)~~ (6) SERVICE CONTRACT. A contract or agreement as
52 defined in ~~subdivision (13) of~~ Section 8-32-2.

53 ~~(6)~~ (7) VEHICLE PROTECTION PRODUCT. A vehicle protection
54 device, system, or service that is all of the following:

55 a. Installed on or applied to a vehicle or a component
56 part of a vehicle.



HB582 INTRODUCED

85 ~~(9)~~ (10) WARRANTY HOLDER. The person who purchases a
86 vehicle protection product or who is a permitted transferee.

87 ~~(10)~~ (11) WARRANTY REIMBURSEMENT INSURANCE POLICY. A
88 policy of insurance that is issued to the vehicle protection
89 product warrantor to provide reimbursement to the warrantor or
90 to pay on behalf of the warrantor all covered contractual
91 obligations incurred by the warrantor under the terms and
92 conditions of the insured vehicle protection product
93 warranties sold by the warrantor."

94 Section 2. This act shall become effective on October
95 1, 2026.