
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-1, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) This chapter shall not apply to:
4 (1) Express or implied warranties;
5 (2) Maintenance agreements; [and]
6 (3) Agreements issued by automobile clubs; and
7 ~~[-(3)]~~ (4) Warranties, service contracts, and maintenance
8 agreements offered by public utilities on their
9 transmission devices to the extent they are regulated
10 by the public utilities commission or the department
11 of commerce and consumer affairs."

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

14 1. By adding two new definitions to be appropriately
15 inserted and to read:

16 "Automobile club" means a legal entity that, in
17 consideration of dues, assessments, or periodic payments of



1 money, promises its members or subscribers to assist them in
2 matters relating to motor travel or the operation, use, or
3 maintenance of a motor vehicle by supplying services that may
4 include, but are not limited to, towing service and emergency
5 road service.

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

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

12 "Service contract" means a contract or agreement for a
13 separately stated consideration and a specific duration [~~7-10~~]:

- 14 (1) To perform or indemnify the repair, replacement, or
- 15 maintenance of property for operational or structure
- 16 failure due either to a defect in materials or
- 17 artisanship, or to normal wear and tear, with or
- 18 without additional provision for incidental payment or
- 19 indemnity under limited circumstances, including but
- 20 not limited to towing, rental, and emergency road
- 21 service [-]; or



- 1 (2) For performance of one or more of the following
- 2 services:
- 3 (A) The repair or replacement of tires or wheels on a
- 4 motor vehicle damaged as a result of coming into
- 5 contact with a road hazard;
- 6 (B) The removal of dents, dings, or creases on a
- 7 motor vehicle that can be repaired using the
- 8 process of paintless dent removal without
- 9 affecting the existing paint finish and without
- 10 replacing vehicle body panels, sanding, bonding,
- 11 or painting;
- 12 (C) The repair of chips or cracks in a motor vehicle
- 13 windshield or the replacement of a motor vehicle
- 14 windshield as a result of damage caused by a road
- 15 hazard;
- 16 (D) The replacement of a motor vehicle key or key-fob
- 17 in the event that the key or key-fob becomes
- 18 inoperable, lost, or stolen; or
- 19 (E) Other services which may be approved by the
- 20 commissioner, if not inconsistent with other
- 21 provisions of this chapter.



1 Service contracts may provide for the repair, replacement, or
2 maintenance of property damaged by power surges, or accidentally
3 damaged during handling."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Motor Vehicle Service Contracts

Description:

Specifies that the regulation of motor vehicle service contracts does not apply to agreements issued by automobile clubs. Clarifies the allowable scope of motor vehicle service contracts regulated by the Insurance Commissioner to include contracts for certain motor vehicle repair and replacement services. (HB154 HD1)

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