



Ohio Revised Code

Section 3905.421 Vehicle protection product warranty.

Effective: October 12, 2006

Legislation: House Bill 442 - 126th General Assembly

(A) As used in this section:

(1) "Incidental costs" means the losses and expenses specified by a vehicle protection product warranty related to the failure of a vehicle protection product to deter the theft of a vehicle or facilitate the recovery of the vehicle after it has been stolen. "Incidental costs" may include, but are not limited to, insurance policy deductibles, rental vehicle charges, the difference between the actual value of the stolen vehicle at the time of the theft and the cost of a replacement vehicle, sales taxes, registration fees, transaction fees, and mechanical inspection fees.

(2) "Vehicle protection product" means a vehicle protection device, system, or service that is installed on or applied to a vehicle and that is designed to deter the theft of a vehicle or facilitate the recovery of the vehicle after it has been stolen. "Vehicle protection product" includes, but is not limited to, alarm systems, window etch products, body part marking products, steering locks, pedal and ignition locks, fuel and ignition kill switches, and electronic, radio, and satellite tracking devices.

(3) "Warrantor of a vehicle protection product" or "warrantor" means the person that is contractually obligated to the warranty holder under the terms of a vehicle protection product warranty.

"Warrantor" does not include an insurer authorized or eligible to do business in this state.

(4) "Warranty reimbursement insurance policy" means a policy of insurance issued by an insurer authorized or eligible to do business in this state to the warrantor of a vehicle protection product to pay, on behalf of the warrantor, all covered contractual obligations incurred by the warrantor under the terms and conditions of the vehicle protection product warranty.

(B) All vehicle protection product warranties issued in this state shall be covered by a warranty reimbursement insurance policy.

(C) A vehicle protection product warranty issued by the warrantor of a vehicle protection product



does not constitute a contract substantially amounting to insurance or its issuance the business of insurance under section 3905.42 of the Revised Code, if all of the following conditions are met:

(1) The warranty is limited to indemnifying the warranty holder for incidental costs caused by the failure of the vehicle protection product to deter the theft of the vehicle or facilitate the recovery of the vehicle after it has been stolen.

(2) The vehicle protection product warranty contains both of the following conspicuous, written disclosures:

(a) "This vehicle protection product warranty is not subject to the insurance laws of this state, contained in Title XXXIX of the Ohio Revised Code."

(b) "This warranty may not include all of the benefits or protections of an insurance policy that includes theft coverage issued by an insurer authorized to do business in Ohio."

(3) The warranty identifies the warrantor, the warranty holder, and the terms of the sale of the vehicle protection product.

(4) The warranty conspicuously states that the obligations of the warrantor to the warranty holder are guaranteed under a warranty reimbursement insurance policy.

(5) The warranty conspicuously states that if a payment due under the terms of the warranty is not paid by the warrantor within sixty days after the warranty holder files proof of loss pursuant to the terms of the warranty, the warranty holder may file directly with the warrantor's warranty reimbursement insurance company for reimbursement.

(6) The warranty conspicuously states the name and address of the warrantor's warranty reimbursement insurance company.

(D) A warranty reimbursement insurance policy shall contain both of the following statements:

(1) A statement that the warranty reimbursement insurance company will reimburse, or pay on behalf



of, the warrantor of a vehicle protection product all covered amounts for which the warrantor is legally obligated, and will provide any service that the warrantor is legally obligated to perform, under the terms of a vehicle protection product warranty;

(2) A statement that if a payment due under the terms of a vehicle protection product warranty is not paid within sixty days after the warranty holder files proof of loss pursuant to the terms of the warranty, that the warranty holder may file directly with the warrantor's warranty reimbursement insurance company for payment or reimbursement.

(E) The cancellation of a warrantor's warranty reimbursement insurance policy does not affect the warrantor's liability to the warranty holder.

(F) The sale of a vehicle protection product or the issuance of a vehicle protection product warranty to a consumer by the warrantor of a vehicle protection product constitutes a consumer transaction for purposes of sections 1345.01 to 1345.13 of the Revised Code. The warrantor is the supplier and the warranty holder is the consumer in such consumer transactions.

(G) A warrantor of a vehicle protection product shall indemnify a seller of that product that pays or is required to pay a consumer of the product any amount that the warrantor is obligated to pay under the terms of the vehicle protection product warranty.

(H) The rights of a warranty holder against a warrantor's warranty reimbursement insurance company as provided in this section apply only in regard to a warranty reimbursement insurance policy issued under this section. This section does not create any contractual rights in favor of a person that does not qualify as an insured under any other type of insurance policy described in Title XXXIX of the Revised Code.