



Ohio Revised Code

Section 3905.426 Requirements for ancillary product protection contracts.

Effective: September 30, 2025

Legislation: House Bill 96

(A) As used in this section:

(1) "Contract holder" means the person who purchased a motor vehicle ancillary product protection contract, any authorized transferee or assignee of the purchaser, or any other person assuming the purchaser's rights under the motor vehicle ancillary product protection contract.

(2) "Finance agreement" means a loan or retail installment contract secured by a motor vehicle or a lease contract for the use of a motor vehicle.

(3) "Motor vehicle" has the same meaning as in section 4501.01 of the Revised Code and also includes utility vehicles and under-speed vehicles as defined in that section.

(4)(a) "Motor vehicle ancillary product protection contract" means a contract or agreement that is effective for a specified duration and paid for by means other than the purchase of a motor vehicle, or its parts or equipment, to perform any one or more of the following services:

(i) Repair or replacement of glass on a motor vehicle necessitated by wear and tear or damage caused by a road hazard;

(ii) Removal of a dent, ding, or crease without affecting the existing paint finish using paintless dent removal techniques but which expressly excludes replacement of vehicle body panels, sanding, bonding, or painting;

(iii) Repair to the interior components of a motor vehicle necessitated by wear and tear but which expressly excludes replacement of any part or component of a motor vehicle's interior;

(iv) Repair or replacement of tires or wheels damaged because of a road hazard;



- (v) Replacement of a lost, stolen, or inoperable key or key fob;
 - (vi) In conjunction with a motor vehicle leased for use, the repair, replacement, or maintenance of property, or indemnification for repair, replacement, or maintenance, due to excess wear and use, damage for items such as tires, paint cracks or chips, missing interior or exterior parts, or excess mileage that results in a lease-end charge, or any other charge for damage that is deemed as excess wear and use by a lessor under a motor vehicle lease, provided any such charge shall not exceed the purchase price of the vehicle at the end of the lease term;
 - (vii) Provide a benefit under a vehicle value protection agreement.
- (b) A motor vehicle ancillary product protection contract may, but is not required to, provide for incidental payment of indemnity under limited circumstances, including, without limitation, towing, rental, and emergency road services.
- (c) "Motor vehicle ancillary product protection contract" does not include any of the following:
- (i) A motor vehicle service contract;
 - (ii) A vehicle protection product warranty as defined in section 3905.421 of the Revised Code;
 - (iii) A home service contract as defined in section 3905.422 of the Revised Code;
 - (iv) A consumer goods service contract as defined in section 3905.423 of the Revised Code;
 - (v) A contract for prepaid routine, scheduled maintenance only.
- (5) "Motor vehicle service contract" means a contract or agreement to perform or pay for the repair, replacement, or maintenance of a motor vehicle due to defect in materials or workmanship, normal wear and tear, mechanical or electrical breakdown, or failure of parts or equipment of a motor vehicle, with or without additional provisions for incidental payment of indemnity under limited circumstances, including, without limitation, towing, rental, and emergency road services, that is effective for a specified duration and paid for by means other than the purchase of a motor vehicle.



(6) "Provider" means a person who is contractually obligated to a contract holder under the terms of a motor vehicle ancillary product protection contract.

(7) "Road hazard" means a condition that may cause damage or wear and tear to a tire or wheel on a public or private roadway, roadside, driveway, or parking lot or garage, including potholes, nails, glass, road debris, and curbs. "Road hazard" does not include fire, theft, vandalism or malicious mischief, or other perils normally covered by automobile physical damage insurance.

(8) "Reimbursement insurance policy" means a policy of insurance issued by an insurer authorized or eligible to do business in this state to a provider to pay, on behalf of the provider in the event of the provider's nonperformance, all covered contractual obligations incurred by the provider under the terms and conditions of the motor vehicle ancillary product protection contract.

(9) "Supplier" has the same meaning as in section 1345.01 of the Revised Code.

(10) "Vehicle value protection agreement" includes a contractual agreement that provides a benefit towards either the reduction of some or all of the contract holder's current finance agreement deficiency balance, or towards the purchase or lease of a replacement motor vehicle or motor vehicle services, upon the occurrence of an adverse event to the motor vehicle, including loss, theft, damage, obsolescence, diminished value, or depreciation. "Vehicle value protection agreement" includes trade-in-credit agreements, diminished value agreements, depreciation benefit agreements, or other similar agreements. "Vehicle value protection agreement" does not include a debt suspension or debt cancellation product.

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

(C) A motor vehicle ancillary product protection contract issued by a provider that is required to be covered by a reimbursement insurance policy under division (B) of this section shall conspicuously state all of the following:

(1) "This contract is not insurance and is not subject to the insurance laws of this state."



(2) That the obligations of the provider are guaranteed under a reimbursement insurance policy;

(3) That if a provider fails to perform or make payment due under the terms of the contract within sixty days after the contract holder requests performance or payment pursuant to the terms of the contract, the contract holder may request performance or payment directly from the provider's reimbursement insurance policy insurer, including any obligation in the contract by which the provider must refund the contract holder upon cancellation of a contract;

(4) The name, address, and telephone number of the provider's reimbursement insurance policy insurer.

(D) A motor vehicle ancillary product protection contract that includes repair or replacement of glass on a motor vehicle as provided in division (A)(4)(a)(i) of this section, shall conspicuously state:

"This contract may provide a duplication of coverage already provided by your automobile physical damage insurance policy."

(E) A vehicle value protection agreement may be canceled by the contract holder within thirty days of the effective date of the agreement, and the contract holder shall be entitled to a full refund of the purchase price paid by the contract holder, if any, so long as no benefits have been provided under the contract.

(F) A vehicle value protection agreement that, under the terms of the agreement, may be canceled by the contract holder more than thirty days after the effective date of the agreement must state the conditions under which it may be canceled, including the procedures for requesting any refund of the purchase price paid by the contract holder and the methodology for calculating any refund of the purchase price.

(G) The contract provider of the vehicle value protection agreement shall mail a written notice to the contract holder at the last known address of the contract holder contained in the records of the contract provider at least five days prior to cancellation by the contract provider. Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the contract holder to the contract provider or administrator, or a substantial



breach of duties by the contract holder relating to the covered product or the use of the covered product. The notice shall state the effective date of the cancellation and the reason for the cancellation. If a vehicle value protection agreement is canceled by the contract provider for a reason other than nonpayment of the provider fee, the provider shall refund to the contract holder one hundred per cent of the unearned provider fee paid by the contract holder, if any. If coverage under the vehicle value protection agreement continues after a claim, then all claims paid may be deducted from any refund required by this division. A reasonable administrative fee of up to seventy-five dollars may be charged by the contract provider and deducted from any refund due under this division or division (F) of this section.

(H) Any refund under divisions (E) and (F) of this section shall be paid to the seller or assignee of a retail installment contract or lease agreement unless otherwise agreed to by the contract holder and the seller or assignee.

(I) A reimbursement insurance policy that is required to be issued under this section shall contain:

(1) A statement that if a provider fails to perform or make payment due under the terms of the motor vehicle ancillary product protection contract within sixty days after the contract holder requests performance or payment pursuant to the terms of the contract, the contract holder may request performance or payment directly from the provider's reimbursement insurance policy insurer, including any obligation in the contract by which the provider must refund the contract holder upon cancellation of a contract.

(2) A statement that in the event of cancellation of the provider's reimbursement insurance policy, insurance coverage will continue for all contract holders whose motor vehicle ancillary product protection contracts were issued by the provider and reported to the insurer for coverage during the term of the reimbursement insurance policy.

(J) The sale or issuance of a motor vehicle ancillary product protection contract is a consumer transaction for purposes of sections 1345.01 to 1345.13 of the Revised Code. The provider is the supplier and the contract holder is the consumer for purposes of those sections.

(K) Unless issued by an insurer authorized or eligible to do business in this state, a motor vehicle



ancillary product protection contract does not constitute a contract substantially amounting to insurance, or the contract's issuance the business of insurance, under section 3905.42 of the Revised Code.

(L) Unless issued by an insurer authorized or eligible to do business in this state, a contract identified in division (A)(4)(c)(i) or (v) of this section does not constitute a contract substantially amounting to insurance, or the contract's issuance the business of insurance, under section 3905.42 of the Revised Code.

(M) The rights of a contract holder against a provider's reimbursement insurance policy insurer as provided in this section apply only in regard to a 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. This section does not prohibit the insurer of a provider's reimbursement insurance policy from assuming liability for contracts issued prior to the effective date of the policy or July 1, 2009.

(N) A contract or agreement described in division (A)(4)(a)(iv) of this section in which the provider is a tire manufacturer shall be exempt from the requirements of division (B) of this section if the contract or agreement conspicuously states all of the following:

- (1) That the contract or agreement is not an insurance contract;
- (2) That any covered obligations or claims under the contract or agreement are the responsibility of the provider;
- (3) The name, address, and telephone number of any administrator responsible for the administration of the contract or agreement, the provider obligated to perform under the contract or agreement, and the contract seller;
- (4) The procedure for making a claim under the contract or agreement, including a toll-free telephone number for claims service and a procedure for obtaining emergency repairs or replacements performed outside normal business hours.