

Joint Committee on Financial Services
The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1139

Title: AN ACT RELATIVE TO MOTOR VEHICLE SERVICE CONTRACTS

Sponsor: Representative Daniel Donahue

Hearing Date: May 13, 2025

Reporting Date: July 12, 2025

Similar Matters: Dup S812 – Sim to H1293

Prior History:

H4810 (2019-2020) Favorable-SPS

H1183 (2021-2022) Study

H1121 (2023-2024) Study

Current Law:

MGL Chapter 175 Section 149M- Section 149M. As used in sections 149M to 149X, inclusive, the following words shall, unless the context clearly requires otherwise, have the following meanings:—

"Administrator", the person who is responsible for the administration of the service contracts or the service contracts plan.

"Consumer", an individual who purchases, other than for purposes of resale, tangible personal property used for personal, family or household purposes.

"NAIC", the National Association of Insurance Commissioners.

"Person", a natural person, corporation, association, partnership or other legal entity.

"Premium", the consideration paid to an insurer for a reimbursement insurance policy.

"Provider", a person who is contractually obligated to the service contract holder under the terms of the service contract.

"Reimbursement insurance policy", a policy of insurance issued to a provider to either provide reimbursement to the provider under the terms of the insured service contracts issued or sold by the provider or, in the event of the provider's nonperformance, to pay on behalf of the provider all covered contractual obligations incurred by the provider under the terms of the insured service contracts issued or sold by the provider.

"Service contract", a contract for a separately stated consideration and for a specific duration to perform the service, repair, replacement or maintenance of tangible personal property or

indemnification for service, repair, replacement or maintenance, for the operational or structural failure due to a defect in materials or workmanship or normal wear and tear, with or without additional provision for incidental payment or indemnity under limited circumstances, for related expenses, including, but not limited to, rental and food spoilage.

"Service contract holder", a consumer who is in possession of a service contract.

"Warranty", a guarantee incidental to the sale of the product made solely by the manufacturer, importer or seller of property or services; provided, however that consideration that is negotiated or separated from the sale of the product that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor or other remedial measures, such as repair or replacement of the property or repetition of services shall not be included within the definition of "warranty".

Summary:

Section 1 may be missing 2 previous definitions. Adds distributes to definition of manufacturer

Rewrites previous definition of service contract to explicitly include motor vehicle service contract

Specifically, the bill amends the definition of "service contract" by including:

- a) The repair or replacement of tires and/or wheels damaged as a result of road hazards;
- b) The removal of dents that can be repaired by using the process of paintless dent removal and without sanding or painting;
- c) The repair or replacement of small motor vehicle windshields; or
- d) The replacement of the key or key fob if lost or stolen.

Replaces current section 149V of chapter 175 which exempts specific instances from sections 149M to 149X. The following lists the additions to current law:

- a) Warranties, service contracts or other agreements regarding automobiles under which a licensed motor vehicle dealer is obligated to perform
- b) Warranties on products made by a manufacturer.
- c) Maintenance agreements

Also lists specific sections that motor vehicle service contracts need to comply with.