

59B.02 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Administrator.** "Administrator" means the person who is responsible for the administration of the service contracts or the service contracts plan or who is responsible for any filings required by this chapter.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Consumer.** "Consumer" means a natural person who buys, other than for purposes of resale, any tangible personal property that is distributed in commerce and that is normally used for personal, family, or household purposes and not for business or research purposes.

Subd. 5. **Maintenance agreement.** "Maintenance agreement" means a contract of limited duration that provides for scheduled maintenance only.

Subd. 5a. **Motor vehicle manufacturer.** "Motor vehicle manufacturer" means a person that:

- (1) manufactures or produces motor vehicles and sells motor vehicles under its own name or label;
- (2) is a wholly owned subsidiary of the person that manufactures or produces motor vehicles;
- (3) is a corporation which owns 100 percent of the person that manufactures or produces motor vehicles;
- (4) does not manufacture or produce motor vehicles, but sells motor vehicles under the trade name or label of another person that manufactures or produces motor vehicles;
- (5) manufactures or produces motor vehicles and sells the motor vehicles under the trade name or label of another person that manufactures or produces motor vehicles; or
- (6) does not manufacture or produce motor vehicles but, pursuant to a written contract, licenses the use of its trade name or label to another person that manufactures or produces motor vehicles and that sells motor vehicles under the licensor's trade name or label.

Subd. 6. **Person.** "Person" means an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal, syndicate, or any similar entity or combination of entities acting in concert.

Subd. 7. **Premium.** "Premium" means the consideration paid to an insurer for a reimbursement insurance policy.

Subd. 8. **Provider.** "Provider" means a person who is contractually obligated to the service contract holder under the terms of the service contract.

Subd. 9. **Provider fee.** "Provider fee" means the consideration paid for a service contract.

Subd. 10. **Reimbursement insurance policy.** "Reimbursement insurance policy" means 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.

Subd. 10a. **Road hazard.** "Road hazard" means a danger encountered while driving a motor vehicle including, but not limited to, potholes, rocks, weed debris, metal parts, glass, plastic, curbs, or composite scraps.

Subd. 11. **Service contract.** "Service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform:

(1) the repair, replacement, or maintenance of property or indemnification for repair, replacement, or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances, including without limitation, towing, rental, emergency road service, and road hazard protection. Service contracts may provide for the repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling;

(2) the repair or replacement of tires or wheels on a motor vehicle damaged as a result of coming into contact with a road hazard;

(3) the removal of dents on a motor vehicle that can be repaired using the process of paintless dent removal without affecting the existing paint finish or replacing vehicle body panels, sanding, bonding, or painting;

(4) the repair of chips or cracks in a motor vehicle windshield or the replacement of a motor vehicle windshield as a result of damage caused by a road hazard;

(5) the replacement of a motor vehicle key or key fob in the event that the key or key fob becomes inoperable or is lost or stolen; or

(6) other services as approved by the commissioner.

Subd. 12. **Service contract holder or contract holder.** "Service contract holder" or "contract holder" means a person who is the purchaser or holder of a service contract.

Subd. 13. **Warranty.** "Warranty" means a warranty made solely by the manufacturer, importer, or seller of property or services without consideration, that is not negotiated or separated from the sale of the product, and is incidental to 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.

History: *1Sp2005 c 1 art 5 s 2; 2008 c 344 s 3,4; 2018 c 112 s 1,2*