59C.07 DISCLOSURE TO WARRANTY HOLDER.

A vehicle protection product warranty must not be sold or offered for sale in this state unless the warranty:

(1) states, "The obligations of the warrantor to the warranty holder are guaranteed under a warranty reimbursement insurance policy" if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2, or states "The obligations of the warrantor under this warranty are backed by the full faith and credit of the warrantor" if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 3;

(2) states that in the event a warranty holder must make a claim against a party other than the warranty reimbursement insurance policy issuer, the warranty holder is entitled to make a direct claim against the insurer upon the failure of the warrantor to pay any claim or meet any obligation under the terms of the warranty within 60 days after proof of loss has been filed with the warrantor, if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2;

(3) states the name and address of the issuer of the warranty reimbursement insurance policy, and this information need not be preprinted on the warranty form, but may be added to or stamped on the warranty, if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2;

(4) identifies the warrantor, the seller, and the warranty holder;

(5) sets forth the total purchase price and the terms under which it is to be paid, however, the purchase price is not required to be preprinted on the vehicle protection product warranty and may be negotiated with the consumer at the time of sale;

(6) sets forth the procedure for making a claim, including a telephone number;

(7) specifies the payments or performance to be provided under the warranty including payments for incidental costs expressed as either a fixed amount specified in the warranty or sales agreement or by the use of a formula itemizing specific incidental costs incurred by the warranty holder, the manner of calculation or determination of payments or performance, and any limitations, exceptions, or exclusions;

(8) sets forth all of the obligations and duties of the warranty holder such as the duty to protect against any further damage to the vehicle, the obligation to notify the warrantor in advance of any repair, or other similar requirements, if any;

(9) sets forth any terms, restrictions, or conditions governing transferability and cancellation of the warranty, if any; and

(10) contains a disclosure that reads substantially as follows: "This agreement is a product warranty and is not insurance."

History: *2007 c 57 art 3 s 27*