

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 541
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Request No.:	1953
Author:	Sen. Montgomery
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Bill Analysis

SB 541 prohibits any administrator, provider, or creditor operating as an administrator from performing or engaging in any administrative or operational functions of a debt waiver program or vehicle value protection agreements without first registering with the Insurance Department. Such registration shall be renewed by July 15 of each year. Any change in name, address, or email address shall require the administrator or service warranty association to file an updated registration within 30 days of the change. Administrators and service warranty associations must also respond within 20 days of any inquiry made by the Commissioner along with any transaction or other applicable fees. Additionally, the measure also provides that each service warranty association license revoked due to failure to renew may be restored within 90 days after the expiration date by electronically submitting a fee in an amount that is double the renewal fee and a renewal application in the form and manner prescribed by the Commissioner. Each provider operating as an administrator to insure all of its vehicle value protection agreements under an insurance policy that covers 100% of its claims exposure and contain a provision outlined in the measure. Service warranty associations are required by the measure to submit renewal applications and fees in an electronic manner prescribed by the Insurance Commissioner. Licenses expired for failure to submit a renewal application may be reinstated within 90 days after the expiration date by submitting a fee in an amount that is double the renewal fee.

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