

House Watch

A summary of today's House actions;
published daily when the House is in session.



10/7/09

FINAL PASSAGE

[HB 4989](#)

(Rocca)

Generally speaking, this package of bills specifies that guaranteed asset protection (GAP) waivers on motor vehicles are not insurance products and are subject to regulation not under the Insurance Code but instead under a new separate act, the Guaranteed Asset Protection Waiver Act. House Bill 4989 would create the Guaranteed Asset Protection Waiver Act. The act would be enforced by the Commissioner of the Office of Financial and Insurance Regulation (OFIR). It allows a GAP waiver to be part of, or a separate addendum to, the finance agreement for a motor vehicle, and allows creditors to sell such waivers for a single payment or via a monthly or periodic payment option. The new act requires a "free look" period of at least 30 days during which a customer could cancel the waiver without any costs. It would be up to the creditor (lender) of a waiver was cancelable or not cancelable after the free look period.

- Committee substitute H-2 adopted
- Rocca 1A adopted
- HB 4989 advanced to 3rd Reading
- HB 4989 was passed [RC 491: 106 yes, 1 no]
- IE was ordered

[HB 4990](#)

(Johnson)

House Bill 4990 would amend the Insurance Code. It specifies that a GAP waiver subject to the new act is not insurance or the business of insurance and is not subject to the Insurance Code. A person would not be required to obtain a certificate of authority or a license to market, sell, or offer to sell GAP waivers.

- Committee substitute adopted
- HB 4990 advanced to 3rd Reading
- HB 4990 was passed [RC 492: 106 yes, 1 no]
- IE was ordered

HB 4991

(Johnson)

House Bill 4991 would amend the Motor Vehicle Sales Finance Act. It allows an installment sales contract to include a guaranteed asset protection waiver (in the contract or as an addendum). The cost of the waiver to the buyer would have to be state separately and would not be considered a finance charge or interest. Such a waiver would have to comply with the new act regulating such waivers.

- HB 4991 advanced to 3rd Reading
- HB 4991 was passed [RC 493: 106 yes, 1 no]
- IE was ordered

HB 4992

(Melton)

House Bill 4992 would amend the Retail Installment Sales Act (MCL 445.853). It allows a retail sales contract connected to a transaction that involves a motor vehicle to include a guaranteed asset protection waiver (in the contract or as an addendum). The cost of the waiver to the buyer would have to be state separately and would not be considered a finance charge or interest. Such a waiver would have to comply with the new act regulating such waivers.

- HB 4992 advanced to 3rd Reading
- HB 4992 was passed [RC 494: 106 yes, 1 no]
- IE was ordered