



WISCONSIN LEGISLATURE

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Date: October 27, 2021

To: Members of the Senate Committee on Insurance, Licensing and Forestry

From: Senator Roger Roth and Representative Petryk

Re: Testimony regarding Senate Bill 655

Good morning Senator Felzkowski and members of the committee. We appreciate this opportunity to come before the committee to speak in favor of Senate Bill (SB) 655. SB 655 simply put, amends current insurance statutes to clarify marketplace practices for motor vehicle service contracts and to expand options for consumers in Wisconsin that are available in other states.

The first provision would expand the existing service vehicle contract law to allow for the replacement of motor vehicle key fobs if they become lost or stolen, an option that is offered in most other states. If any of the members of the committee have purchased a new car recently, they would have noticed that the key system for cars has changed. No longer can you just go to your local hardware store and get a new key. The keys today are now advanced systems that electronically communicate with your car, and some even work without you needing to insert the key into your car. If you lose it or it is stolen, the costs for a replacement can be as high as \$600.

Second, the bill would give consumers the ability to purchase excess wear and use protection for leased vehicles. This product would give lease vehicle customers protection against damages such as stains, rips, tears to fabric, and missing mechanical buttons to their vehicle when they return the leased vehicle and oftentimes includes excess miles protection.

Finally, the bill changes technical items by first clarifying that the definition of a "Vehicle protection product" does not include a substance that applies to the outside or inside of the car to maintain its appearance. This definition is intended to include items to prevent loss or damage to the vehicle like alarm systems and satellite tracking devices. It would also clarify that vehicle protection products would only need to be filed with the Office of the Commissioner of Insurance (OCI), as is current practice.

SB 655 was drafted in consultation with OCI to ensure regulatory compliance and is based on model language from other states.

Overall this bill will provide additional options for customers who choose to purchase these services while also clarifying various definitions. We appreciate your time and thank you again for the opportunity to testify before the committee.