

By: Senator(s) Kirby

To: Business and Financial
Institutions

SENATE BILL NO. 2026

1 AN ACT TO AMEND SECTION 75-24-91, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT HOME SERVICE CONTRACTS MAY CONTAIN A PROVISION
3 EXCLUDING COVERAGE FOR REPAIRS RELATING TO IMPROPER INSTALLATION
4 BUT ONLY IN INSTANCES WHEN THE OWNER OF THE PROPERTY HAD PRIOR
5 KNOWLEDGE OF IMPROPER INSTALLATION; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 75-24-91, Mississippi Code of 1972, is
8 amended as follows:

9 75-24-91. (1) The terms "service contract," "home warranty"
10 or "home service contract," as used in this section, mean a
11 contract or agreement for a separately stated consideration for a
12 specific duration to perform the repair, replacement or
13 maintenance of property or to reimburse, in whole or in part, the
14 owner of such property for the repair, replacement or maintenance
15 of property if so operational or structural failure is due to a
16 defect in materials or manufacturing or to normal wear and tear.
17 A service contract may contain a provision for incidental payment
18 under such contract where service, repair or replacement is not
19 feasible or economical. A service contract may contain a
20 provision excluding coverage for repairs relating to improper
21 installation but only in instances when the owner of the property
22 had prior knowledge of improper installation.

23 (2) The marketing, sale, offering for sale, issuance,
24 making, proposing to make and administration of a service contract
25 is not a contract of insurance under Mississippi law and is exempt
26 from the provisions of Title 83, Mississippi Code of 1972.

27 (3) Service contracts shall be subject to the provisions of
28 the Mississippi Consumer Protection Act, Section 75-24-1 et seq.

29 (4) Nothing contained herein shall repeal or alter the
30 regulation of vehicle service contracts currently defined and
31 regulated under Section 83-65-101 et seq.

32 **SECTION 2.** This act shall take effect and be in force from
33 and after its passage.