MISSISSIPPI MOTOR VEHICLE COMMISSION

Vehicle Protection Product Warrantors Administrative Rules
Regulation Seven

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Authority *(Effective July 1, 2007, House Bill 844;*

These rules are promulgated under the authority of Mississippi Motor Vehicle Code 63-17-69 & House Bill 844, Section 13

Definitions.

The following words and terms, when used in this Regulation, have the following meanings, unless the context clearly indicates otherwise.

(1) **Applicant**--A person who submits to the Commission an application to be a warrantor of vehicle protection products.

(2) **Financial statements**--A balance sheet, income statement, statement of cash flows, and statement of equity reflecting the financial condition of the subject, prepared by an independent certified public accountant in accordance with generally accepted accounting principles.

(3) **Net worth**--The excess of total assets over total liabilities as reflected in audited financial statements.

(4) **Nonpublic personal information**--Information regarding an individual that is derived from the offering of vehicle protection products and vehicle protection product warranties, the sale of such products and warranties, and claims made under such warranties.

(A) The term includes:

(i) customer financial and credit information,

(ii) information concerning the price paid for a vehicle protection product or vehicle protection product warranty,

(iii) the type of vehicle protection product purchased,

(iv) the terms and conditions of any warranty,

(v) the expiration date of any warranty,

(vi) the facts and circumstances involved in any claim made on a warranty,

(vii) the claim history of an individual,

(viii) social security numbers, and

(ix) information prohibited from disclosure by state or federal statute.

(B) The term does not include customer names, addresses, and telephone numbers.

(5) **Registrant**--A person approved by the Commission to be a warrantor of vehicle protection products.

Registration and Renewal Requirements--General.

(a) No person may operate as, or offer to be, a warrantor of vehicle protection products sold or offered in this state without holding a current registration issued by the Commission, unless the person is exempt under HB 844, Section 4

(b) Registration is valid for one year from July 1 and must be renewed prior to expiration..

(c) The required fee must accompany an application.

(d) Falsification of information on an application is cause for denial, suspension, or revocation of a registration and/or assessment of an administrative penalty. MMVC Law 63-17-85; HB 844, Section 11(4).

(e) A complete application for registration renewal must be submitted on an approved Commission form with all required fees and proof of financial security as required . The application for registration renewal must be filed by the expiration date, or the registration will expire.

(f) Non-receipt of a registration renewal notice from the Commission does not exempt a person from any requirement of this regulation.

Registration Requirements--Financial Security Requirements.

(a) Each applicant and registrant may comply with the financial security requirement under Mississippi H B 844, Section 5 (2) (a) by submitting to the Commission the information required by one of the following four paragraphs:

(1) proof of a reimbursement insurance policy described in Mississippi Code, HB 844, Section 5.1(b); the reimbursement insurance policy must include the "Vehicle Protection Product Warrantor MS Endorsement" prescribed by the executive director or equivalent language;

(2) an audit report and audited financial statements for its most recent fiscal year which demonstrate that either the applicant or the registrant, or the parent corporation of the applicant or registrant, if there is one, had a net worth of at least $50 million as of the end of its most recent fiscal year; HB 844, Section 5 (2)(a).

(3) the audit report of an independent certified public accountant stating the auditor's unqualified opinion concerning the financial statements of the applicant or registrant as of the end of its most recent fiscal year, together with a certification from the same accountant who performed the audit that the applicant or registrant had a net worth in excess of $50 million as of the end of the period audited; or

(4) the audit report of an independent certified public accountant stating the auditor's unqualified opinion concerning the financial statements of the parent corporation of the applicant or registrant as of the end of the parent corporation's most recent fiscal year, together with a certification from the same accountant who performed the audit of the parent corporation that it had a net worth in excess of $50 million as of the end of the period audited.

(b) If the applicant or registrant relies upon the net worth of its parent corporation to satisfy the financial security requirements of Mississippi Code, then the applicant or registrant must furnish sufficient written proof , such as a resolution of the parent corporation's board of directors, that the parent corporation has agreed to guarantee the liabilities and obligations of the applicant or registrant relating to vehicle protection products sold or offered for sale by the applicant or registrant in this state.

(c) Notwithstanding the other provisions of this section, an applicant or registrant shall promptly provide all financial statements and information to the executive director or his designate that are requested in writing by the executive director or his designate.

Responsibilities of Registrant.

(a) A registrant must provide the following written notification to all consumers of its vehicle protection product and warranties: "Regulated by the Mississippi Motor Vehicle Commission, P.O Box 16873, Jackson, MS 39236, 601-987-3995." The notification shall be provided on all warranty contracts.

(b) A registrant shall notify the Commission in writing within thirty (30) days of any change in the information set forth in the registrant's application.

(c) A registrant shall allow the Commission to audit, examine, and copy any and all records maintained by the registrant pursuant to Mississippi Code, or relating to vehicle protection products sold or offered for sale in this state.

(d) A registrant shall provide a copy of the vehicle protection product warranty to the consumer within 10 days from the date of purchase.

(e) A registrant shall not disclose nonpublic personal information obtained in connection with the sale in this state of a vehicle protection product warranty or claims made under such a warranty, except:

(1) to an entity acting on behalf of the registrant to perform the functions required to implement the vehicle protection product warranty who agrees not to disclose the nonpublic personal information;

(2) to the commission as provided in subsection (c); or

(3) as required by law or to comply with a subpoena or court order.

(f) An entity acting on behalf of the registrant under subsection (e) shall not disclose nonpublic personal information except:

(1) as necessary to fulfill the terms and conditions of the consumer's warranty;

(2) to the Commission as requested by a Commission representative; or

(3) as required by law or to comply with a subpoena or court order.

(g) A registrant shall maintain financial security as required.

Fees.

(a) All fees are non-refundable.

(b) The original registration fee for a warrantor of vehicle protection products shall be $600.

(c) The renewal registration fees shall be

(1) $600 for registrants who became obligated as warrantors

(d) A $25 fee shall be charged for duplicate or amended registration certificates.

(e) Late renewal fees for registrations issued under this Regulation are provided under MMVC Law Section 63-17-77(3) (relating to Late Fees).

Administrative Penalties and Sanctions. *MMVC Law 63-17-85; HB 844, Section 11(4)*