

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 369
SENATE BILL 468

AN ACT TO EXTEND THE EXEMPTION FROM THE INSURANCE LAW OF
MANUFACTURER AND SELLER WARRANTIES TO ALL GOODS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-3.1. reads as rewritten:

"§ 58-3.1. Motor vehicle warranties-Warranties by manufacturers, distributors, or sellers of goods or services.-~~(a) Any motor vehicle warranty issued by a person as defined in this Article, other than a warranty made solely by the manufacturer or seller without charge or an extended warranty offered as an option by a manufacturer or seller or authorized distributor of foreign manufactured automobiles for charge, guaranteeing indemnity for defective parts, mechanical breakdown and labor shall be a contract of insurance, provided that a product guaranty or warranty which accompanies the sale of a product used in the maintenance or operation of a motor vehicle shall not be a contract of insurance under this Chapter.~~ As used in this section:

- (1) 'Goods' means all things that are moveable at the time of sale or at the time the buyer takes possession. 'Goods' includes things not in existence at the time the transaction is entered into; and includes things that are furnished or used at the time of sale or subsequently in modernization, rehabilitation, repair, alteration, improvement, or construction on real property so as to become a part of real property whether or not they are severable from real property.
- (2) 'Services' means work, labor, and other personal services.

(b) Any warranty made solely by a manufacturer, distributor, or seller of goods or services without charge, or an extended warranty offered as an option and made solely by a manufacturer, distributor, or seller of goods or services for charge, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or any other remedial measure, including replacement of goods or repetition of services, shall not be a contract of insurance under this Chapter.

(c) Nothing in this section affects the provisions of Article 3C of this Chapter. Any warranty or extended warranty made by any person other than the manufacturer, distributor, or seller of the warranted goods or services is a contract of insurance."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 15th day of June, 1987.