



**Senators George Lang  
Senate Bill 157  
Sponsor Testimony  
Senate Insurance Committee  
October 10, 2023**

Chairman Hackett, Ranking Member Craig, and other members of the Senate Insurance Committee, thank you for providing me the opportunity to present sponsor testimony on Senate Bill 157, regarding motor vehicle financial protection products.

As many of us know, there are several different products offered to us when we purchase a vehicle. Dealerships have endless options to add onto a car's contract including warranties, customizations, and more. Senate Bill 157 addresses a current opportunity in the car-buying process: the consumers' use of optional financial protection agreements.

Motor vehicle financial protection products are optional agreements that protect a consumer from surprises when it comes to the value of their vehicle. Examples include:

excess wear & tear agreements, trade-in credit agreements, and depreciation benefit agreements.

While these products are not required as part of the car buying process, more options and better consumer protections are always welcome in a major purchase like a motor vehicle.

This bill creates new avenues for car buyers to protect their investment. Specifically, it increases access to more financial protection products for car-buyers coupled with ample consumer protections. Senate Bill 157 addresses this by:

1. **Offering consumers more vehicle value protection product options – including loss of value in the trade-in on a lease (“Excess Wear and Use waiver”)**.
2. **Creating new provisions for credit towards a replacement vehicle, and**
3. **Adding additional consumer protection provisions and simplifying the code through:**
  - **Strengthening cancellation and refund provisions,**
  - **Defining of key terms,**
  - **Consolidating code sections,**
  - **Adding other disclosure requirements, and**

- **Implementing financial assurance requirements for providers**

Currently 25 other states, including Michigan, Tennessee, and West Virginia, have enacted similar legislation. By enacting the reforms in Senate Bill 157, we can ensure Ohio consumers are provided choices to protect the value of their vehicles and are armed with all the information necessary to make those decisions. These reforms would continue to enshrine the high standard of excellence within the automobile industry in Ohio, and contribute to Ohio's business-friendly growth.

Once again, thank you for allowing me the opportunity to present sponsor testimony on Senate Bill 157. I would be happy to take any questions.