



**Title: Alabama Senate Bill 48**

**Subject: GAP Waivers and Vehicle Value Protection Agreements**

**Summary:**

Alabama Senate Bill 48 is GAPA's initiative to create a statutory framework for Vehicle Value Protection Agreements. The bill largely follows the GAPA model act on vehicle value protection agreements as it:

- Lays out disclosure requirements;
- Mandates a minimum 30-day "free-look" period;
- Provides for enforcement under the Superintendent of Banks;
- Provides financial responsibility requirements;
- Prohibits mandating purchase as a condition of sale, lease, or financing of a motor vehicle, and;
- States that such agreements are exempt from insurance regulation.

The existing gap waiver statute is currently under the supervision of the Superintendent of Banks. Vehicle value protection agreements would be under the same regulator.

The bill also amends the definition of GAP waiver in current law to allow excess wear and use waivers with or without a separate charge.

The bill has been amended to authorize GAP waivers provided without a separate charge and GAP+, and correct a clerical error regarding CLIP filings.

**This bill has been signed by the Governor and will be effective January 1, 2023.**

Date Filed: 01/11/2022

Date/Type of Last Action: 01/11/2022 Read for the first time and referred to the Senate committee on Judiciary

01/18/2022 Read for the second time and placed  
on the calendar

02/01/2022 Whatley Amendment Offered  
Whatley motion to Adopt adopted  
Roll Call (32-0)  
Motion to Read a Third Time and  
Pass adopted (32-0)  
Third Reading Passed

02/02/2022 Senate Engrossed

02/02/2022 Read for the first time and referred to  
the House of Representatives  
committee on Financial Services

02/16/2022 Read for the second time and placed  
on the calendar  
Pending third reading on day 12  
Favorable from Financial Services

03/15/2022 Third Reading Passed  
Motion to Read a third time and pass  
adopted (101-0) Passed  
Second House  
Enrolled

03/17/2022 Signature Requested  
Enrolled  
Forwarded to Governor

03/29/2022 Signed by the Governor  
Assigned Act No 2022-179

