



One Hundred First Legislature - First Session - 2009  
**Introducer's Statement of Intent**  
**LB 571**

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**Chairperson:** Rich Pahls  
**Committee:** Banking, Commerce and Insurance  
**Date of Hearing:** February 23, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 571 addresses the issue of a Guaranteed Asset Protection Waiver. A Guaranteed Asset Protection Waiver is a product that the purchaser of an automobile may purchase that waives any debt by the lender if certain events happen such as an auto accident. Under current law if this product is provided by a bank it is not considered to be insurance, if it is sold by any other entity it is considered insurance. LB 571 defines what a Guaranteed Asset Protection Waiver is and gives a framework within which to offer them to consumers.

LB 571 clarifies that Guaranteed Asset Protection Waivers are not insurance when sold in conjunction with a motor vehicle sale. LB 571 specifies that the Guaranteed Asset Protection Waiver remains with the financial agreement and can not be separated and sold. LB 571 requires that sellers of Guaranteed Asset Protection Waivers obtain insurance to cover their obligations.

LB 571 mandates certain disclosures to consumers about Guaranteed Asset Protection Waivers, provides that there be a minimum of a 30 day free look period if a consumer purchases a Guaranteed Asset Protection Waiver, and provides enforcement by the Attorney General.

**Principal Introducer:** \_\_\_\_\_  
**Senator Rich Pahls**