

SERVICE CONTRACTS, MOTOR CLUBS AND OTHER EXTENDED WARRANTIES

The date following each state indicates the last time information for the state was reviewed/changed.

STATE	SERVICE CONTRACTS	MOTOR CLUBS	HOMEOWNER WARRANTIES	MISCELLANEOUS
AL (2/23)	<p>§§ 8-32-1 to 8-32-12 Adopts the NAIC Service Contracts Model Act subjecting service contracts to the jurisdiction of the department of insurance.</p> <p>§§ 8-33-1 to 8-33-13 Covers vehicle protection products. Regulated by the department of insurance.</p>	<p>§§ 27-39-1 to 27-39-8 Subjects automobile clubs to the jurisdiction of the insurance commissioner. Must be licensed; are not subject to insurance laws other than this chapter.</p>	No provision	
AK (2/23)	<p>§ 21.03.021 Insurance statutes do not apply to service contracts; however, the definition of service contracts does not include mechanical breakdown insurance, a contract that requires an indemnity payment per incident which exceeds the purchase price of the property serviced, portable electronics insurance as defined in § 21.36.515, or a home warranty. The Alaska insurance statutes apply to contracts to provide service on motor vehicles.</p>	<p>§§ 21.59.010 to 21.59.090 Subjects automobile service corporations to the jurisdiction of the insurance director. Certificate of authority and annual filings required.</p>	<p>§ 21.03.021 Home warranty is a warranty that covers the entire home and not a warranty limited to a household system or appliance. The Alaska insurance statutes apply to contracts providing comprehensive home warranties.</p>	<p>§ 21.03.021 Contracts that service tangible personal property or indemnify for repair of such property including household consumer goods, household appliances and household systems are not regulated under the insurance statutes.</p>
AZ (2/23)	<p>§§ 20-1095 to 20-1095.10 Covers motor vehicle service contract. No other part of insurance code shall apply.</p> <p><i>See also</i> A.A.C. R20-6-407; R20-6-408</p>	No provision	<p>§§ 20-1095 to 20-1095.10 Covers home warranty and home protection contracts; regulated by insurance department. No other part of insurance code shall apply.</p>	
AR (2/23)	<p>§§ 4-90-501 to 4-90-512 Covers motor vehicle service contracts; regulated by department of insurance. No other part of insurance code shall apply.</p>	<p>§§ 23-77-101 to 23-77-109 Regulated by department of insurance. Certificate of authority and annual filings required.</p>	No provision	

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CA (2/23)	<p>Bulletin No. 87-9 Auto repair service contract. Does not include service contract or extended warranty covering only defects in material and workmanship sold by automobile manufacturers or dealers. Contracts being offered as alternative to auto comprehensive and collision insurance. Considered to be auto insurance under supervision of department of insurance.</p> <p>Ins. § 116.6 Auto warranty (vehicle protection product) is not considered insurance if the warrantor maintains an insurance policy that covers 100% of his obligations under the plan. Designed to cover auto theft devices.</p> <p>Ins. §§ 12800 to 12865 Motor vehicle service contract. Not included in the definition of automobile insurance if meets definition in the statute. File a specimen of the vehicle service contract form with the commissioner. Standards for what should be in contract. Administrator shall be licensed as a broker-agent.</p>	<p>Ins. §§ 12140 to 12159 Regulation of motor clubs by insurance department.</p>	<p>Ins. §§ 12740 to 12764 Home Protection Insurance</p> <p>Other provisions of the insurance code apply only as enumerated in § 12743.</p>	<p>Bus. & Prof. §§ 9855 to 9855.9 Service Contractors/Electronic & Appliance Repair Dealers</p> <p>Civil § 1791 Service contract is a contract in writing to perform, over a fixed period, services relating to the maintenance or repair of a consumer product; does not include auto insurance.</p>
CO (2/23)	<p>§§ 42-11-101 to 42-11-108 Motor Vehicle Service Contract Insurance</p>	<p>No provision</p>	<p>§ 10-3-903(2)(g) Transaction of business by home warranty service companies exempt from insurance code.</p>	<p>3 CCR 702-5:5-1-12 Describes the distinctions between insurance contract regulated by the insurance department and a warranty or service contract that is not.</p>

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CT (2/23)	No provision	Motor Vehicle Code § 14-67 Licensing of automobile clubs or associations. May offer insurance only.	§ 38a-320 Home warranty contract shall constitute contract of insurance as defined in § 38a-319, however, this section does not apply to an agreement of any seller with a purchaser guaranteeing workmanship and materials in connection with the sale of such property. This section applies only to warranties covering the structural components of the dwelling, which includes single and multiple-family dwelling of 4 or less units.	Business, Selling, Trading and Collecting Practices Code § 42-260 Regulation through department of insurance. Extended warranty is a contract to provide indemnification for repair, replacement or maintenance of a product given for consideration over and above the price of the product; does not apply to portable electronics insurance. Warranty provider shall be insured under an extended warranty reimbursement policy or demonstrate adequate reserves. Provisions do not apply to home warranties or regulated utilities. <i>See also</i> Bulletins Nos. IC-15 & PC-38 on this code section.
DE (3/23)	18 Del. C. §§ 917; 918 Service contracts and warranties are not regulated as insurance products. Domestic/Foreign Insurers Bulletin No. 5 (9/17/97) (Amended 7/1/98) (Revised 9/19/19) Contemplating introduction of legislation based on NAIC Model Service Contract Act.	18 Del.C. § 506 Automobile club shall not be required to provide certificate of authority provided its activities are restricted to those described in § 1707(b)(4). 18 Del. C. § 908A Defines automobile club.	No provision	

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DC (3/23)	§§ 31-2351.01 to 31-2351.13 “Service contract” means a contract or agreement for a separately stated consideration for any duration to perform the repair, replacement, or maintenance of property or indemnification for service repair, replacement, or maintenance for the operational or structural failure of any motor vehicle or residential or other property due to a defect in materials, workmanship, accidental damage from handling, or normal wear and tear, or to indemnify for the same.	No provision	No provision	
FL (3/23)	§§ 634.011 to 634.289 Motor Vehicle Service Agreement Companies No other part of Florida Insurance Code applies to motor vehicle service agreement. Statute includes definitions of unfair trade practices and advertising. Provisions for unfair claims settlement practices. Department has power to examine companies. Service agreement must indicate the method for calculating the benefit. Service agreement companies must maintain liability insurance covering 100% of vehicle protection claim exposure. Rule 69O-200.001 to 69O-200.15 Companies that market or administer service agreements must be licensed as a service agreement company.	No provision	§§ 634.301 to 634.348 Must be licensed by insurance department for home warranty business and may not conduct other business, except that affiliate of licensed insurer need not be licensed if insurer is direct obligor. Exempt from other provisions of insurance code. Includes provisions on financial condition of the company; allowable assets. <i>See also</i> Rule 69O-199.001 to 69O-199.015 Home Warranty Associations	§§ 634.401 to 634.444 Service Warranty Associations Rule 69O-198.001 to 69O-198.015 Service Warranty Associations Rule 69O-200.011 to 69O-200.015 Motor Vehicle Service Agreement Companies

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GA (3/23)	<p>§ 33-7-6 Property insurance includes vehicle service agreement. Insurance code regulates.</p> <p>Ga. Comp. R. & Regs. 120-2-47-.01 to 120-2-47-.14 Regulates vehicle service agreements. Considered a policy of insurance.</p>	<p>1994 Ga. Op. Att’y Gen. 47, Op. No. 94-20 (7/6/1994) Motor Clubs are not regulated as insurance companies.</p>	<p>No provision except §§ 33-7-3(10) and 33-7-6(a) when read together may be regarded as regulating this coverage.</p>	<p>Ga. Op. Att’y Gen. No. 72-62 (5/22/1972) Replacement contract for eyeglasses is a contract of insurance.</p> <p>1982 Ga. Op. Att’y Gen. 149, Op. No. 82-75 (9/15/1982) Contract between tire dealer and purchaser constitutes offering of insurance.</p> <p>§§ 33-34A-1 to 33-34A-12 Service contracts on vehicle protection devices.</p>
HI (3/23)	<p>§ 431:1-209 When incidental to selling or leasing a motor vehicle, service contract is not insurance. But if made by party doing insurance business, falls under “general casualty insurance.” Clarified by Memorandum 1997-10.</p> <p>§§ 481X-1 to 481X-12 Business code includes requirement to register annually. Provider shall either fully insure the plan or maintain a reserve and deposit. In the alternative, the company may maintain a net worth or stockholder equity of \$100 million. Contracts not subject to premium tax.</p>	<p>No provision</p>	<p>No provision</p>	

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ID (3/23)	<p>§ 41-114A Service contracts are not insurance but are subject to the provisions of the consumer protection laws of ch. 6, tit. 48.</p> <p>§§ 49-2801 to 49-2811 Applies to all motor vehicle service contracts offered for sale by any person other than the motor vehicle manufacturer and shall not apply to the customary and usual performance guarantees or warranties. Policy issuer must be insured under a service contract liability policy. Service contract provider shall retain all records of each contract holder for at least 3 years after the specified period of coverage has expired. Liability policy issuer shall examine the contract provider at least every 2 years. Examination records shall be subject to review by director. Contracts not covered by guaranty fund.</p> <p>1977 Idaho Op. Att’y Gen. 197, Op. No. 77-36 (6/10/1977) Motor vehicle service contract is not an insurance contract provided service contract is in fact a warranty.</p>	No provision	No provision	<p>1978 Idaho Op. Att’y Gen. 34, Op. No. 78-10 (2/22/1978) Banks and other lending institutions: “service contracts.” Bank is transacting insurance if, for additional consideration, the lender enters into a “service contract” with the borrower in which the lender promises to repair or replace the purchased consumer product or to reimburse the borrower for such repair or replacement.</p>

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IL (3/23)	<p>215 ILCS 152/1 to 152/60; 152/99 Service contracts may not be issued unless a reimbursement insurance policy is issued by a licensed provider, or the service contract provider maintains a funded reserve account for its obligations, or the service contract provider or its parent maintains a net worth, or stockholder equity, of \$100 million. Statute contains registration requirement for provider and disclosure requirements to customers. Insurance department may examine service contract providers as necessary to protect Illinois consumers.</p> <p>625 ILCS 5/5-103 Motor vehicle extended warranties/service contracts sold by licensed vehicle dealers as part of motor vehicle code.</p>	No provision	No provision	<p>215 ILCS 5/155.39 Vehicle protection product warranties sold or offered for sale are not subject to the insurance code.</p>
IN (3/23)	<p>IC 27-1-43.2-1 to 27-1-43.2-19 Service contracts are not insurance, except as provided in Ch. 43.2. They are under the control of the commissioner with regards to the outlines of IC 27-1-43.2. Provider must maintain 40% reserve account.</p> <p>Bulletin 78 (Nov. 10, 1992) Statement of position of department of insurance on when automobile service contracts constitute insurance contracts.</p>	<p>IC 27-1-43.2-18 Motor clubs do not fall under the “service contracts” chapter of the department of insurance.</p> <p>Ind. Att’y Gen. Op. No. 10 (1952) Contracts offered for sale purporting to offer membership contracts in an automobile club constitute insurance contracts.</p> <p>https://scholarworks.iupui.edu/handle/1805/1089</p>	No provision	

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IA (3/23)	<p>§§ 523C.1 to 523C.24 Residential and Motor Vehicle Service Contract. Contract or agreement sold for separate consideration for a specific duration that undertakes to perform the repair, replacement, or maintenance of a motor vehicle. Under the supervision of the commissioner of insurance.</p>	No provision	<p>§§ 523C.1 to 523C.24 Residential and Motor Vehicle Service Contract. Contract between a residential customer and a service company which undertakes, for a predetermined fee for any period of time, to service, maintain, repair, replace, or indemnify expenses for operational or structural components. Under the supervision of the commissioner of insurance.</p> <p><i>See also</i> 1984 Iowa Op. Att’y Gen. 118 (Feb. 9, 1984) – clarifying §§ 523C.1 to 523C.22.</p>	
KS (3/23)	<p>Kan. Att’y Gen. Op. No. 76-372 (12/6/76) Motor vehicle service contracts issued by dealers do not constitute insurance.</p> <p>Kan. Att’y Gen. Op. No. 78-68 (2/14/78) Motor vehicle service contract issued by a third-party lender constitutes insurance.</p> <p>Kan. Att’y Gen. Op. No. 80-8 (01/11/1980) Motor vehicle service contracts: contracts of insurance and warranties distinguished.</p> <p><i>See also</i>, K.S.A. 40-201a; service contract, exempt from regulation.</p>	<p>§§ 40-2501 to 40-2513 Automobile Club Services Act regulated by department of insurance.</p>	No provision	

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KY (3/23)	§ 304.5-070(1)(p) Exempts certain types of motor vehicle warranty contracts from definition of casualty insurance. 806 K.A.R. 5:060 is the companion regulation.	No provision	No provision	806 K.A.R. 5:060 Maker of service contracts for consumer goods must register with the department. Will not be considered insurance if maker of the service contract maintains a net worth of \$100 million and provides specified information to the insurance department.
LA (3/23)	LSA-R.S. 22:361 to 22:373 Vehicle mechanical breakdown insurers; exempt from other provisions of the insurance code, except as expressly noted.	No provision	LSA-R.S. 51:3141 Service contracts sold or offered for sale to persons other than consumers are exempt from Chapter 57: Home Service Contract Providers; 51:3144.	LSA-R.S 9:3141 to 9:3150 New Home Warranty Act
ME (3/23)	24-A M.R.S.A. § 3 Road or tourist service contract not insurance. 24-A M.R.S.A. § 7102(11) Service contract defined.	No provision	24-A M.R.S.A. § 3 Home service contract not insurance.	

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MD (3/23)	Com. Law §§ 14-401 to 14-410 Sets disclosures for what must be included in service contract. Regulated under consumer protection laws.	Ins. §§ 26-101 to 26-502 Motor clubs subject to regulation by department of insurance but “motor club services” as defined in this article should not be construed as insurance.	Real Prop. §§ 10-601 to 10-610 New Home Warranty Act covers contracts between builders and owners on new structures.	Transp. § 15-311.2 Mechanical repair contracts include extended warranty and extended service contracts. A policy insuring coverage for all obligations and liabilities incurred under terms of mechanical repair contract shall constitute adequate reserves. <i>See also</i> 79 Md. Op. Att’y Gen. 311, Op. No. 94-059 (11/23/1994) for statutory interpretation of this code section.
MA (3/23)	§ 175:149N Service contracts must be insured with a reimbursement policy issued by an authorized insurer. Service contracts shall not be considered insurance for any purpose.	§§ 174B:1 to 174B:11 Automobile clubs regulated by department of insurance.	No provision	
MI (3/23)	Declaratory Rulings 95-113-M and 95-254-M Original equipment manufacturers’ warranty programs are not insurance (limited to specific facts presented).	Bulletin 81-20 Road service clubs and motor clubs – when benefits constitute insurance.	No provision	
MN (3/23)	§§ 59B.01 to 59B.11 Adopts the NAIC Service Contracts Model Act.	§ 59B.01 Motor clubs are exempt from this chapter.	No provision	

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MS (3/23)	§§ 83-65-101 to 83-65-125 Vehicle service contracts are regulated by the insurance commissioner. Chapter does not apply to motor vehicle manufacturers' warranties.	§§ 83-11-201 to 83-11-247 Automobile club services law regulated by department of insurance.	§§ 83-58-1 to 83-58-17 New Home Warranty Act covers contracts between builders and owners on new structures.	§ 75-24-91 Home warranty service contracts are not insurance. Subject to consumer protection laws. <i>See also</i> Bulletin 2003-2
MO (3/23)	§§ 385.200 to 385.220 Motor vehicle extended service contracts are regulated by the department of insurance. Bulletin 93-13 (December 13, 1993) Regarding use of third-party administrators in vehicle service contracts.	No provision	No provision	
MT (3/23)	§§ 30-14-1301 to 30-14-1304 Service contracts regulated under consumer protection laws. <i>See also</i> § 33-1-102(10) Insurance code does not apply to service contracts.	§§ 61-12-301 to 61-12-315 Motor club services companies regulated by department of insurance. Advisory Memorandum April 14, 2006 Medical care discount card suppliers whose benefits package includes motor service club benefits must ensure compliance with MT law.	No provision	

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NE (3/23)	<p>§§ 44-3520 to 44-3526; Neb. Admin. R. & Regs. Tit. 210, ch. 58, §§ 001 to 008</p> <p>Motor vehicle service contract reimbursement insurance act. Shall not apply to motor vehicle service contract issued by motor vehicle manufacturers, importers, or franchised dealers. Shall not apply to motor vehicle service contracts issued and sold directly by motor vehicle manufacturers or importers. Regulation includes disclosure requirements and is regulated by department of insurance.</p>	<p>§§ 44-3701 to 44-3721</p> <p>Motor Club Services Act regulated by department of insurance.</p> <p>§ 44-3303</p> <p>Auto club service contracts that supply incidental or limited legal services are not subject to insurance laws.</p>	No provision	<p>§ 44-102.01</p> <p>Service contracts - however designated - for residential dwellings or consumer products are not insurance.</p>
NV (3/23)	<p>N.R.S. §§ 690C.010 to 690C.330; NAC 690C.010 to 690C.120</p> <p>Covers service contracts to consumers for goods costing \$250 or more. Provider of service contracts is not subject to insurance law. Must register with department; pay fee of \$1000, plus \$25 for each type of contract filed with commissioner; and pay a renewal fee of \$1000 per year. Must comply with one of the following:</p> <ol style="list-style-type: none"> (1) purchase contractual liability insurance policy; (2) maintain a reserve account and make a deposit with the commissioner. Also, deposit security equal to \$25,000 or 10% of gross consideration for any unexpired service contract; or, (3) maintain net worth of at least \$100 million. 	<p>N.R.S. 696A.010 to 696A.360; NAC 696A.010 to 696A.360</p> <p>Motor club law regulated by department of insurance but not subject to any other provision of insurance code.</p>	<p>N.R.S. 40.607</p> <p>“Builder’s Warranty” defined.</p>	

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NH (3/23)	§§ 415-C:1 to 415-C:12 Covers consumer guaranty contracts including service contracts and prepaid legal contracts but excluding motor vehicle and maintenance agreements. Covered contracts are not subject to most insurance laws. Must register with commissioner, pay fee of \$300 and renewal fee of \$150, or be an authorized insurer. Requirements for bond or net worth, recordkeeping, disclosures, contracts and examination.	No provision	No provision	
NJ (3/23)	N.J.S.A. 56:12-87 Definitions regarding service contracts.	N.J.A.C. 11:17B-3.3 Regarding motor club fees and representative actions. Motor club service contract is not insurance policy.	N.J.S.A. 46:3B-1 to 46:3B-20 New Home Warranty and Builder's Registration Act	N.J.S.A. 56:12-87 "Motor vehicle ancillary protection product" is a kind of service contract.
NM (3/23)	§§ 59A-58-1 to 59A-58-18 Service Contract Regulation Providers that wish to offer service contracts shall register with insurance department and pay fee of \$500 yearly. Maintain deposit with department of \$50,000 unless contract covers motor vehicles or mechanical, plumbing, etc., in residential dwellings; then \$100,000 deposit. Required list of information to include in service contract. Provider must retain records of transactions; department may examine records.	§§ 59A-50-1 to 59A-50-21 Motor club law under insurance department.	N.M. Att'y Gen. Op. No. 78-20 (October 4, 1978) Service contracts on home appliances are insurance. Legitimate warranties on goods manufactured or sold by the warrantor, thereby relating to the quality of goods and thus under the seller's control. Insurance will attach to the warranty of goods and concern events substantially outside the seller's control.	

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NY (3/23)	<p>Ins. Law §§ 7901 to 7913 Regulates service contracts substantially similar to the NAIC Service Contracts Model Act. The legislation requires service contract administrators to register with the department of insurance. The department is responsible for overseeing these types of contracts.</p> <p><i>See also</i> OGC Opinion No. 2003-151</p> <p>Ins. Reg. 155 (11 NYCRR 390.0 to 390.13) Sets out right to return contract, minimum requirements, filing evidence of insurance policy. Uses definition from 7902(k) and does not apply to warranties.</p>	<p>OGC Opinion No. 2003-91 (March 14, 2003); No. 2003-226 (July 29, 2003) Automobile clubs or road service clubs are not licensed or regulated by any department of the state of New York. However, certain benefits provided to members by these associations have been determined to constitute the doing of an insurance business in the view of the general counsel of the department of insurance. The office of the general counsel has issued a series of opinions on various plans and readers are urged to refer to those or to contact the department for further information.</p>	<p>OGC Opinion No. 2002-86 (March 26, 2002) Although not addressed specifically by statute, homeowners and consumer product service agreements have been determined to fall under the purview of the department of insurance, according to a series of opinions issued by the general counsel of the insurance department. Readers are urged to refer to those opinions or to contact the department for further information.</p> <p><i>See also</i> OGC Opinion No. 2002-40 (Feb. 12, 2002)</p>	

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NC (3/23)	<p>§§ 66-370 to 66-374</p> <p>Motor vehicle service agreements that indemnify the motor vehicle service agreement holder against loss caused by failure listed in the agreement. Section does not apply to maintenance agreements, performance guarantees or warranties offered at no charge by manufacturers in connection with the sale of new motor vehicles. Company must register with the commissioner of insurance. Standards for service agreement companies. Applies to Home Service and Motor Vehicle Service Agreements. Addresses disclosures contract provisions and records.</p>	<p>§§ 58-69-2 to 58-69-60</p> <p>Motor clubs and associations regulated by department of insurance through the special services division (<i>see</i> 11 NCAC §§ 13.0401 to 13.0411).</p>	<p>§ 66-371</p> <p>Home appliance service agreements that indemnify the home appliance agreement holder against loss caused by failure from the ownership or use of a home appliance. Section does not apply to usual performance guarantees or warranties offered at no charge by manufacturers in connection with the sale of new home appliances. Company must register with the commissioner of insurance.</p>	<p>§ 58-1-15</p> <p>Manufacturer's warranties are not insurance.</p>
ND (3/23)	<p>§ 9-01-21</p> <p>The marketing, issuing and administering of property service contracts is not insurance.</p> <p>NDCC, 26.1-40-18</p> <p>Any automobile dealer that issues an auto warranty, breakdown contract or service contract shall maintain a policy of insurance to cover the dealer's obligation. The policy must be issued by an insurer with \$10-\$15 million paid in capital and that files annual statements with the NAIC.</p>	<p>No provision</p>	<p>NDAC 45-13-01-02</p> <p>Home warranty is included in the definition of casualty insurance.</p>	<p>Bulletin 93-4</p> <p>Administrator obligors, warranty companies</p>

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OH (3/23)	§ 3905.423 All consumer goods service contracts issued in this state that provide for the performance of or payment for repairs, replacement, or maintenance of consumer goods due to power surges or accidental damage from handling shall be covered by a reimbursement insurance policy.	No provision	§ 3905.422 A home service contract is not insurance and is not governed by insurance law.	§ 3905.421 Vehicle protection product warranty is not subject to insurance code. § 3955.05 Insurance law not applicable to warranties or service contracts.
OK (3/23)	15 Okl.St. Ann. §§ 141.1 to 141.24 Service Warranty Insurance Act applies to service warranties on consumer products. Licensed by insurance commissioner annually, \$400 fee. P/C insurers may sell service warranties without further licensure, but otherwise subject to sections.	36 Okl.St. Ann. §§ 3101 to 3112 Motor service clubs regulated by department of insurance. Requires \$50,000 deposit or \$100,000 surety bond.	15 Okl.St. Ann. § 141.2 Service warranty includes home warranty between consumer and service warranty association.	15 Okl.St. Ann. § 141.2 Motor Vehicle Ancillary Service
OR (3/23)	§§ 742.390 to 742.392 Reimbursement insurance for service contracts; will pay cost if service provider does not perform. §§ 646A.150 to 646A.172 Create a legal framework for service contracts, which are regulated by the department of consumer and business services. Obligor of service contract must obtain a reimbursement insurance policy from an authorized insurer. Does not apply to warranties or maintenance agreements.	No provision	§ 731.102 “Insurance” so defined includes a contract under which one other than a manufacturer, builder, seller or lessor of the subject property undertakes to perform or provide, for a fixed term and consideration, repair or replacement service or indemnification therefor for the operational or structural failure of specified real or personal property or property components.	OAR 836-200-0000 to 836-200-0100 Include fees and filing requirements for reimbursement insurance for service contracts. 38 Or. Att’y Gen. Op. 2218, Op. No. 7642 (6/22/1978) Vehicle service contracts are not subject to insurance law under the facts discussed.

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PA (3/23)	40 P.S. § 477f (parallel: 40-23-114) The marketing, sale, offering for sale, issuance, making, proposing to make and administration of a service contract shall not be construed to be the business of insurance and shall be exempt from regulation as insurance.	40 P.S. § 482 Insurance code shall not apply to auto clubs organized under Pennsylvania law as corporations of the first class.	No provision	
PR (3/23)	26 L.P.R.A. §§ 2123 to 2134 Provider of service contracts must be registered with the department of insurance and pay fee of \$500 each year. Must deposit with the commissioner a guaranty of \$100,000.	26 L.P.R.A. §§ 2101 to 2122 Regulated by department of insurance. Rule XXXVIII Recordkeeping for automobile clubs.	No provision	
RI (3/23)	No provision	§ 27-16-2.5 Auto clubs exempt from unauthorized insurance regulation.	No provision	§ 27-34-3 Property and Casualty Insurance Guaranty Association Act applies to all direct insurance, but not to service contracts.
SC (3/23)	§§ 38-78-10 to 38-78-120 Adopts the NAIC Service Contracts Model Act subjecting service contracts to the jurisdiction of the department of insurance. <i>See also</i> R. 69-61	§§ 39-61-10 to 39-61-200 Regulated by department of consumer affairs.	No provision	

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SD (3/23)	<p>§ 58-1-3 Motor vehicle service contract, extended service agreement or other indemnity contract exempt from insurance code.</p> <p>1978 S.D. Op. Att’y Gen. 361, Op. No. 78-35 (9/5/1978) Repair plans for motor vehicles are considered insurance.</p>	<p>§ 58-30-52 No examination is required of travel accident agents of motor service clubs.</p>	<p>1978 S.D. Att’y Gen. Op. 361, Op. No.78-35 (9/5/1978) Prepaid service agreements for mechanical and electrical components for homes are insurance.</p>	
TN (3/23)	<p>§ 56-2-126 The marketing, sale, offering for sale, issuance, making, proposing to make and administration of a service contract shall not be construed to be the business of insurance and shall be exempt from regulation as insurance.</p> <p>Tenn. Op. Att’y Gen. No. 85-038 (2/19/1986) Extended warranties and service contracts do not fall within definition of insurance, regardless of whether they are issued by manufacturers and dealers or third parties.</p>	<p>§§ 55-18-101 to 55-18-109 Supervised by commissioner of commerce and insurance.</p>	No provision	
TX (3/23)	<p>Occ. §§ 1304.001 to 1304.205 Regulated by the TX Department of Licensing and Regulation. Defines service contract. Does not apply to warranty or service contract sold by licensed motor vehicle dealer who is a provider.</p>	<p>Trans. §§ 722.001 to 722.014 Provider must obtain an automobile club certificate of authority from the secretary of state. Annual fee of \$150.</p>	<p>Occ. §§ 1303.001 to 1303.006 Residential Service Company Act Regulation by the real estate commission but does not exempt other service contracts from the insurance code.</p>	

SERVICE CONTRACTS, MOTOR CLUBS AND OTHER EXTENDED WARRANTIES

STATE	SERVICE CONTRACTS	MOTOR CLUBS	HOMEOWNER WARRANTIES	MISCELLANEOUS
UT (3/23)	<p>§§ 31A-6a-101 to 31A-6a-110 Regulates mechanical breakdown insurance, aftermarket parts and certain service contracts not mentioned as not under the jurisdiction of the insurance department in § 31A-1-103. Service contracts shall not be sold unless contract is insured under a service contract reimbursement policy issued by an authorized insurer or recognized surplus lines insurer.</p>	<p>§§ 31A-11-101 to 31A-11-114 Motor club commissioner will issue a certificate of authority to the motor club if requirements met.</p>	<p>Reg. R590-166 Home Protection Service Contract Rule</p>	<p>§ 31A-1-103 Regulating warranty and service contracts. Manufacturer's warranties issued in the ordinary course of sale, manufacturer's warranties and manufacturer's service contract that are purchased separately, and service contracts bought at the time the product is purchased with an annually determined benefit amount per claim are not regulated by the Utah Insurance Department.</p> <p>§ 31A-23a-207 Registration of motor club agents.</p>
VT (3/23)	<p>8 V.S.A. §§ 4247 to 4256 Requires all providers of service contracts to file a registration with the commissioner. Exempts warranties, maintenance agreements and service contracts offered in commercial transactions. Requires proof of financial stability in the form of a surety bond and reserve, or insurance or a net worth of provider or parent of at least \$50 million. Includes consumer disclosure requirements.</p>	<p>No provision</p>	<p>Vt. Op. Att'y Gen. 82-24 (9/15/1981) Home warranties and auto warranties are considered insurance and will be regulated by department of insurance. True service contract is one that provides service to maintain a product and is not intended to insure or indemnify the quality of the product or to protect the consumer from costs of unanticipated repairs.</p>	

SERVICE CONTRACTS, MOTOR CLUBS AND OTHER EXTENDED WARRANTIES

STATE	SERVICE CONTRACTS	MOTOR CLUBS	HOMEOWNER WARRANTIES	MISCELLANEOUS
VI (3/23)	No provision	No provision	No provision	
VA (3/23)	<p>§§ 59.1-435 to 59.1-441 Extended Service Contract Act is regulated by commissioner of agriculture and consumer affairs. Requires bond or letter of credit based on sliding scale. Service contracts not insurance.</p> <p>Ad. Letter 1982-10 Mechanical breakdown insurance provides coverage for the cost of repairs or replacement of specified parts of a motor vehicle resulting from mechanical breakdown. Considered part of insurance code. Motor vehicle service contract is considered same as mechanical breakdown insurance if offered by anyone other than the manufacturer or seller of covered motor vehicle.</p>	No provision	<p>§§ 38.2-2600 to 38.2-2616 Provides for extended warranties for home protection (structural components, parts, appliances).</p>	
WA (3/23)	<p>§§ 48.110.010 to 48.110.904 Law containing many provisions similar to NAIC Service Contracts Model Act. The law establishes standards to safeguard public from losses arising from cessation of business of service contract obligors or mismanagement of funds paid for service contracts. Must register with insurance department, file annual report with commissioner, and maintain a reserve. Must provide financial security deposit. Contract provisions, reimbursement insurance policy required. This law includes motor vehicle service contracts.</p>	No provision	No provision	

SERVICE CONTRACTS, MOTOR CLUBS AND OTHER EXTENDED WARRANTIES

STATE	SERVICE CONTRACTS	MOTOR CLUBS	HOMEOWNER WARRANTIES	MISCELLANEOUS
WV (3/23)	§ 33-4-2 Exempts service contracts and warranties from the insurance code.	No provision	No provision	§ 33-1-1 Insurance is a contract whereby one undertakes to indemnify another to pay a specified amount upon determinable contingencies. Riffe v. Home Finders Assoc., Inc., 517 S.E.2d 313, 205 W.Va. 216 (1999). Home warranty contract to indemnify purchaser for repairs made to property was such a contract; therefore insurance.
WI (3/23)	WI ADC Ins. § 15.01 Exemptions from application of insurance code. Establishes provisions for exemption of warranty plans which have the characteristics of insurance, while providing for the regulation necessary to protect the public. W.S.A. § 632.185 Vehicle protection product warranty insurance policy must be issued by authorized insurer and contain specific provisions including cancellation terms. W.S.A. § 100.205 Every rustproofing warrantor shall purchase a policy of insurance covering the financial integrity of its warranties. The policy of insurance shall be on a form approved by the commissioner of insurance.	§§ 616.71 to 616.82 Motor club service contracts regulated by department of insurance.	No provision	

SERVICE CONTRACTS, MOTOR CLUBS AND OTHER EXTENDED WARRANTIES

STATE	SERVICE CONTRACTS	MOTOR CLUBS	HOMEOWNER WARRANTIES	MISCELLANEOUS
WY (3/23)	<p>§§ 26-49-101 to 26-49-111 Adopts the NAIC Service Contracts Model Act, subjecting service contracts to the jurisdiction of the department of insurance.</p> <p>§§ 26-37-101 to 26-37-128 Mechanical breakdown service regulated by department of insurance.</p>	<p>§§ 31-14-101 to 31-14-131 Motor Club Services Act regulated by department of insurance. Exempt from §§ 26-49-101 to 26-49-111.</p>	No provision	

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.