

NHSCA – Model Definition Act

Properly defines all service contracts as not being insurance and effectively to be regulated as business contracts under the state attorney general and the consumer protection laws.

Version 01-01-13

Section 1. (a) 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 pursuant to {insert applicable chapter}.

(b) For purposes of this section, “**service contract**” means a contract or agreement for a separately stated consideration for any duration to perform the service, repair, replacement or maintenance of property or indemnification for service, repair, replacement or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances, including, but not limited to, towing, rental and emergency road service. Service contracts may provide for the service, repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling. Service contracts are not insurance in this state or otherwise regulated under the insurance code.

Section 2. This act shall take effect _____