

FINAL BILL REPORT

SHB 2886

C 208 L 00

Synopsis as Enacted

Brief Description: Making regulation of service contracts applicable to service contracts on consumer purchases only.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Barlean, Keiser, Benson and Hatfield).

House Committee on Financial Institutions & Insurance
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background:

Many retailers and others sell service contracts covering the personal property being sold. Service contracts are agreements to repair, replace, or maintain the products for a given period of time. Service contracts offer protections in addition to any guarantees that are offered under the warranties provided by the manufacturers, importers, or sellers of the products.

In 1999 a law was enacted regulating service contracts. Persons selling service contracts in Washington are required to first register with the Insurance Commissioner. Service contract providers must give consumers a written receipt and a copy of the service contract. The service contract must be written in plain language, must contain certain disclosures, must describe the process for obtaining service and filing a claim, and must state the consumer's duties under the contract. The contract may not require out-of-state adjudication.

Summary of Bill:

The laws regulating service contracts apply to service contracts on consumer purchases only. A consumer is an individual purchasing a product primarily for personal, household, or family use.

Votes on Final Passage:

House 94 1
Senate 48 0

Effective: June 8, 2000