

ARIZONA PROPERTY AND CASUALTY FORM FILINGS

SERVICE CONTRACTS

The Arizona Department of Insurance (“AZDOI”) Property and Casualty Section developed the following checklist to help you submit a complete and correct form filing.

NOTE: This checklist is not intended to serve as an all-inclusive list of requirements. Insurance policies must meet all requirements of Arizona law, regardless of whether the law is summarized in this checklist.

This checklist applies to the following types of insurance (TOI’s) and sub-types:

33.0: Other Lines of Business

- 33.0004 – Service Contracts.

This checklist is in addition to the General Filing Checklist

FILING REQUIREMENTS

NOTE - File and use. You must file service contract **forms** (including all contract, claim and application forms, brochures and other printed or advertising materials) before using them. Arizona law provides the AZDOI 30 days to approve or disapprove forms. Each service company and each applicant for a service company permit must submit forms to the AZDOI for approval not less than 30 days prior to their proposed effective date. No form may be used until the AZDOI has approved it or until it has been on file with the AZDOI more than 30 days. [ARS §§ 20-1095.01, 20-1095.06; A.A.C. R20-6-407\(E\).](#)

Topic	References*	Requirements
* ARS“§” = Arizona Revised Statutes Section; “AAC” = Arizona Administrative Code		
State Requirements and Disclosures	AAC R20-6-407 (E)(3) and (4) ARS §20-1095.06	The service contract and application must conform to AAC 20-6-407 (E)(3) and (4) and ARS §20-1095.06, and contain all provisions listed in the rule.
Cancellation Portable Electronic Contracts	ARS §20-1693.05 (F)	An enrolled customer may cancel enrollment for coverage under a portable electronics insurance policy at any time and the person paying the premium shall receive a pro rata refund or credit of any applicable unearned premium within 60 days after the insurer or vendor receives the notice of cancellation from the enrolled customer.
Cancellation Pro Rata	ARS §20-1095.06 (D)(9)	No service contract shall be approved unless it contains a provision permitting the cancellation of the contract. The cancellation provision shall provide for a pro rata refund, and may deduct a fee for administrative expenses

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		associated with the cancellation. The administrative fee may be no more than 10% of the gross amount paid by the contract holder.
Cancellation Provisions, Unacceptable	AAC R20-6-407(E)(4)(c) ARS §20-1095.06 (B)(3)	A service contract will not be approved if it contains a cancellation/voiding provision triggered by a pre-existing condition that was known or that reasonably should have been known by the service company or its representatives, prior use or unlawful acts associated with the product, misrepresentation by the service company or its subcontractors, or program ineligibility, including gray-market, high-performance or GM-diesel automobiles.
Cost of the Contract	ARS §20-1095.06 (D)(4)	The cost of the service contract must be clearly stated.
Coverage of Replaced/Repaired Components	ARS §20-1095.06 (B)(2)	A service contract cannot exclude covering parts or components repaired or replaced under the service contract.
Exclusions For Events Occurring Prior to Ownership	ARS §20-1095.06 (B)(3)(b)	Current owner of the product isn’t at fault for what a previous owner did to or with the product. Actions, non-actions, modifications, prior uses, abuses, etc. can only be excluded if they occur while the product is owned by the Arizona contract holder. For example, an exclusion for lack of maintenance or an exclusion for a modification made to the product must state “...while owned by You” or some other similarly worded statement.
Exclusions in Large Bold Type	ARS §20-1095.06 (D)(6)	Any exclusions wherever they appear in the contract must be printed in large bold type.
Financial Assurance	ARS §20-1095.06 (D)(1) & (2)	Service contracts that are insured under a mechanical reimbursement insurance policy pursuant to section 20-1095.03, subsection A, paragraph 3, subdivision (b) shall state the name and address of the insurer and contain a statement in substantially the following form: "Obligations of the obligor under this service contract are insured under a mechanical service contract reimbursement insurance policy". Service contracts that are not insured under a reimbursement insurance policy pursuant to section 20-1095.03, subsection A, paragraph 3, subdivision (b) shall contain a statement in substantially the following form: "Obligations of the obligor under this service contract are backed by the full faith and credit of the obligor".
Limitations of Contract	ARS §20-1095.06 (D)(6)	A service contract must clearly state any and all limitations on services to be performed and the time periods when services may be required or will be performed (i.e. prior authorization, authorized service providers etc.).

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Material Acts Cancellation	ARS §20-1095.06 (D)(11)	A service contract must state any contract holder actions that may result in cancellation of the contract.
Name/Address/ Phone	ARS §20-1095.06 (D)(3)	The service contract must disclose the name and address of the service company, the obligor, and the administrator, if applicable.
Non-original Manufacturers’ Parts	ARS §20-1095.06(D)(7)	A service contract shall state whether the use of non-original manufacturers’ parts is allowed.
Pre-existing Conditions	ARS §20-1095.06 (D)(12)	A service contract may not exclude pre-existing conditions if such conditions were known or should reasonably have been known by the service company or the person selling the service contract on the company’s behalf.
Reinstatement or Transfer of Contract	ARS §20-1095.06 (D)(8)	A service contract must state the conditions, if any, under which the service contract can be transferred and/or reinstated.
Service Company Misrepresentation	ARS §20-1095.06 (B)(3)(c)	A service contract cannot be cancelled or voided by the service company or its representatives due to a misrepresentation by either the service company or its subcontractors.
Service Fee or Deductible	ARS §20-1095.06 (D)(5)	A service contract must clearly state any service fee or deductible to be charged for service calls and/or repairs.
Services to be Performed	ARS §20-1095.06 (D)(6)	A service contract must clearly, conspicuously and plainly state the services to be performed by the servicing company and the terms and conditions of such performance.
Systems Covered	ARS §20-1095.06 (D)(5)	A service contract must identify what is being covered, as a corollary to what is excluded from coverage.
Service Contract Coverage	ARS §20-1095(7)	A Service Contract may only cover the repair, replacement, or maintenance of a consumer product with limited incidental payments for indemnity associated with the repair, replacement or maintenance of a consumer product.
Service Contract Triggers	ARS §20-1095(7)	A Service Contract may only cover the operational or structural failure of a consumer product due to a defect in materials, workmanship, accidental damage from handling, power surge or interruption or normal wear and tear.
Technical Language	ARS §20-1095.06 (D)	The language used must be nontechnical and readily understood with common everyday meanings.
Term of Contract	AAC R20-6-407(E)(3)(d)(iv)	A service contract must clearly state the length of the contract.
Timely Service	ARS §20-1095.06 (B)(1) AAC R20-6-407(E)(3)(b)	A service contract should describe how a contract holder would request service and must provide for services being delivered within a reasonable period of time after requested
Waiting Period	AAC R20-6-407(E)(3)(d)(v)	A term equivalent to any Waiting Period needs to be added to the Term of the Service Contract.

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Warranty	ARS § 20-1095(10)	The word “warranty” be used in a Service Contract must be used as defined in ARS 20-1095.

CERTIFICATION OF COMPANY OFFICER

NOTE: Filer certification must be completed and signed by an officer of the company.

I, _____, certify on behalf of the company that is submitting this filing that I am responsible for the validity, accuracy and completeness of the enclosures in this filing. To the best of my knowledge and belief each form or rate filing included in this filing: 1) conforms to all of the applicable requirements outlined above; 2) contains no provision(s) previously disapproved or required to be corrected and/or revised by the Arizona Department of Insurance; 3) does not exceed this company’s powers, the authority granted by its state of domicile or its Arizona certificate of authority; and 4) complies with all applicable provisions of state or federal law and orders of the Director of Insurance.

Title: _____

Email: _____

Phone: _____

Date: _____

Company Officer Signature: _____