

Department of Consumer & Business Services
Oregon Insurance Division
350 Winter St. NE
P. O. Box 14480
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Phone (503) 947-7983

Transmittal and Product Standards for Service Contracts

*Required information to process the filing, if filing is incomplete the filing will be rejected.

Date: _____ Requested effective date: _____

Obligor Name: _____*

Contact Person: _____*

Company FEIN #: _____*

Contact Phone No: _____* (toll free if available) Email address: _____*

Obligor has a: Reimbursement Policy 10K 20-F or 40 F Audited Financial Statement

If Obligor has a Reimbursement Policy, identify name of Insurer: _____*

Form number of Reimbursement Policy approved by Oregon Insurance Division: _____* (not the policy number)

Filing options:

- via SERFF using the 3 following fields: **TOI - 33.000** **Sub-TOI - 33.0004** **Filing Type - Form**
- Renewal of forms that need to be reviewed, cant have any changes to the verbiage, logo. or address field.
- New Filing
- via paper - Acknowledgement and all other communication will be done via e-mail.

Service Contract Means: A contract or agreement given for consideration over and above the purchase price or lease price of the covered property and that undertakes to perform or provide repair or replacement service, or reimbursement for that service, for the operational or structural failure of covered property due to defect in materials or workmanship or normal wear and tear, but does not include mechanical breakdown insurance. (See 17.1004 for contractual liability insurance issued to reimburse service contract providers for liabilities assumed under service contracts.)

A Service Contract cannot provide end-lease reimbursement of motor vehicle services not provided at the time of the defect in materials or workmanship, or normal wear and tear. A lump sum cash payment cannot be provided to the leasing company via a service contract. This is a type of "insurance" purchased by the auto dealer or leasing company at the time they lease the vehicle to a consumer. This is "Residual Value Insurance" as described in product standards checklist 440-5057.

Requirements	Compliance	
Filing includes a filing description in SERFF or a cover letter.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cover letter includes all form numbers listed EXACTLY as they appear on the form or a forms list has been attached.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are these forms revising or replacing previously filed forms? If yes, a highlighted, annotated, red line, or side-by-side version of forms must be provided showing where changes were made to verbiage, logos, or addresses . If filing via SERFF please attach to the Supporting Documentation Tab.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
All service contract forms filed have their own unique form number in the bottom left corner of the form. When filing in SERFF, the entire document number including edition/version date, must be in the Form Number field. When renewing form numbers need to be changed so we don't duplicate forms.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Filing includes this transmittal form, and all questions have been answered.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Reference	Description	Compliance	
ORS 646A.150 to ORS 646A.172, OAR 836-200-0040	This filing includes a Service Contract as defined by statute and rule.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
ORS 646A.154	<p>As a result of changes made by SB 577 (2013 legislative session), effective 01/01/2014, the definition of service contract” was expanded to include provisions for services not involving the direct sale of merchandise, including:</p> <ul style="list-style-type: none"> • Repairing or replacing tires or wheels. • Removing dents, dings creases or other damage through a process of paintless dent removal. • Repairing chips or cracks or replacing motor vehicle windshields. • Replacing motor vehicle key or fobs that have become inoperable, or are lost or stolen. <p>The expanded definition specifically excludes coverage for repairing damage to or replacing components of interior paint or finish unless the service contract provides the services in connection to a vehicle protection product.</p>		
ORS 646A.430	<p>The bill also broadened the definition of “vehicle protection product” to include a protective chemical, substance, device, product, system or service that is:</p> <ul style="list-style-type: none"> • Designed to prevent loss or damage to a vehicle from a specific cause. • Accompanied by a written warranty that will reimburse a consumer as a result of the product’s failure. • A list of products or similar or related products is provided. <p>The definition of “vehicle protection product” excludes fuel or oil additive, or chemical products applied to an engine, transmission or fuel system.</p>		

Reference	Description
ORS 646A.152(7)	<p>“Warranty” means a warranty that a person that manufactures, imports or sells property or services makes without charge, that is not negotiated or separated from the sale of the product and is incidental to the sale of the product, and that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor or other remedial measures, such as repair or replacement of the property or repetition of services. It is the Department’s position that a service contract should not include the word “warranty” in its name if it does not meet the statutory definition of warranty as provided in ORS 646A.152(7).</p>
ORS 646A.152	<p>ORS 646A.152 As used in ORS 646A.150 to 646A.172:</p> <ol style="list-style-type: none"> (1) “Maintenance agreement” means a contract of limited duration that provides for scheduled maintenance only. (2) “Obligor” means a person that is contractually obligated to the service contract holder to provide service under a service contract. (3) “Person” means an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal, syndicate or any similar entity or combination of entities acting in concert. (4) “Service contract” is a contract described in ORS 646A.154. (5) “Service contract holder” or “contract holder” means a person that purchases or holds a service contract (6) “Service contract seller” means a person that markets, sells or offers to sell a service contract. (7) “Warranty” means a warranty that a person that manufactures, imports or sells property or services makes without charge, that is not negotiated or separated from the sale of the product and is incidental to the sale of the product, and that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor or other remedial measures, such as repair or replacement of the property or repetition of services.
ORS 646A.154	<p>ORS 646A.154(1) (a) For the purposes of this section, a service contract is a contract or agreement to perform or indemnify for a specific duration the repair, replacement or maintenance of property for operational or structural failure that results from a defect in materials, workmanship or normal wear and tear, with or without an additional incidental provision to pay indemnity under limited circumstances, including but not limited to rental and emergency road service. A service contract may also provide for:</p> <ol style="list-style-type: none"> (A) Repairing, replacing or maintaining property for damage that results from lightning, power surges or accidental damage from; (B) Repairing or replacing tires or wheels on a motor vehicle damaged as a result of contacting a road hazard; (C) Removing dents, dings, creases or other damage on a motor vehicle that a process of paintless dent removal can repair without affecting an existing paint finish or replacing vehicle body panels, sanding, bonding or repainting; (D) Repairing chips or cracks in motor vehicle windshields or replacing motor vehicle windshields because of damage that results from road hazards; (E) Replacing motor vehicle keys or key fobs that become inoperable or that are lost or stolen; (F) Paying specified incidental costs that result from the failure of a vehicle protection product, as defined in ORS 646A.430, to perform according to the specifications for the vehicle protection product; and (G) Other services the Director of the Department of Consumer and Business Services specifies by rule, to the extent that the services are similar to services described in this paragraph. <ol style="list-style-type: none"> (b) For the purposes of this section, a service contract does not include coverage for repairing damage to or replacing components of a motor vehicle’s interior or exterior paint or finish unless the service contract provides the services described in this paragraph in connection with the sale of a vehicle protection product, as defined in ORS 646A.430. (c) Consideration for a service contract must be stated separately from the price of the consumer product. (d) For purposes of this section, a service contract does not include insurance policies that insurers issue under the Insurance Code or maintenance agreements.

Reference	Description	Compliance
ORS 646A.154(2) & (3), OAR 836-200-0000	Is the Obligor registered in Oregon? Registered Obligors are listed on the Division website at: http://www4.cbs.state.or.us/ex/imd/reports/rpt/index.cfm?ProgID=REG8105	Yes No <input type="checkbox"/> <input type="checkbox"/>
ORS 646A.156(2), ORS 646A.154, OAR 836-200-0030	Is the obligor clearly identified as the responsible financial party within form, including a contact address and phone number (toll free if available)?	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Arbitration/Dispute Resolution Bulletin DFR 2020-1	Does the Arbitration clause (if there is one) comply with Oregon laws? There should be mutual agreement at the time of the dispute, arbitration should occur in Oregon (unless another location is mutually agreed upon), and arbitration should be according to Oregon laws.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
ORS 646A.156(2), ORS 646A.154, OAR 836-200-0030	This filing identifies the entity that will ensure faithful performance of an obligor's obligations to the contract holder, their address and phone number. This can be the obligor, parent company, or the insurer of a reimbursement policy issued by an Oregon admitted insurer (e.g. Virginia Surety Company, Inc.).	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Claims ORS 646A.156(3)	If prior approval of repair work is required, the service contract shall state the procedure for obtaining prior approval and for making a claim, including a toll-free telephone number for claim service and a procedure for obtaining reimbursement for emergency repairs performed outside of normal business hours.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Deductible ORS 646A.156(4)	The service contract shall conspicuously state the existence of any deductible.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Transfer ORS 646A.156(6)	The service contract states the terms, restrictions or conditions governing the transferability of the service contract.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Cancellation ORS 646A.156(7)	The service contract states the terms, restrictions or conditions governing termination of the service contract by the service contract holder. This should include whether there will be a return of unearned premium, and if so how that return will be calculated.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
ORS 646A.156(7)	The contract specifies who returns the unearned premium to the contract holder.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____

Reference	Description	Compliance	
ORS 646A.154(5)(b)	If a reimbursement policy is used to back the service contract, a copy of the reimbursement policy issued to the obligor named on this filing is included in this filing. For any SERFF submission, this item will be attached to the Supporting Documentation tab	Yes <input type="checkbox"/>	No <input type="checkbox"/>
OAR 836-010-0011(3)	Filing includes a Certificate of Compliance (Form 440-3894) signed by the filer and an officer of the company.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Reference	If a reimbursement policy is used to back the obligor then answer questions below.	Compliance	
ORS 742.390(1), ORS 742.390(2)(b), OAR 836-200-0040	A reimbursement insurance policy insuring service contracts is defined by statute and shall conspicuously state, "that upon failure of the obligor to perform under the contract, the insurer who issued the policy shall pay on behalf of the obligor any sums the obligor is legally obligated to pay or shall provide the service that the obligor is legally obligated to perform. Forms clearly identify this information?"	Yes <input type="checkbox"/>	No <input type="checkbox"/>
ORS 742.392	Forms state that Cancellation notice must be given to DCBS 30-days prior to cancellation effective date. Termination of a service contract reimbursement policy shall not occur until a notice of termination has been mailed or delivered to the Director of the Department of Consumer & Business Services. This notice must be mailed or delivered at least 30 days prior to the date of termination.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
ORS 742.392	Termination of a reimbursement insurance policy shall not reduce the issuer's responsibility for service contracts sold by or on behalf of obligors prior to the date of the termination.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
ORS 742.390(2)(b), OAR 836-200-0040(2)	Forms state the insurer's responsibility shall include claims against the obligor for return of the unearned purchase price of the service contract, and how a cancellation return premium is calculated.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
OAR 836-200-0040(3), OAR 836-200-0030(11) & (12)	Forms state that "for the purposes of payment under a reimbursement insurance policy, an obligor fails to perform under the service contract when the obligor fails to perform as agreed in the service contract by a date that is not later than the 60 th day after the date of the demand for performance or by a date specified in the service contract for performance, whichever date is earlier."	Yes <input type="checkbox"/>	No <input type="checkbox"/>