

Department of Consumer & Business Services
Oregon Division of Financial Regulation

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<https://dfr.oregon.gov/Pages/index.aspx>

Product Standards for Service Contracts

Obligor has a: Reimbursement Policy 10K 20-F or 40 F Audited Financial Statement \$25,000 Bond

Filing options:

- via SERFF using the 3 following fields: **TOI - 33.000** **Sub-TOI - 33.0004** **Filing Type - Form**
- New Filing
- Revised Form Filing

Service Contract Means: 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. See ORS 646A.154 for the full definition. (See 17.1004 for contractual liability insurance issued to reimburse service contract providers for liabilities assumed under service contracts.)

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. Additionally, a service contract does not include insurance policies that insurers issue under the Insurance Code or maintenance agreements(i.e. mechanical breakdown insurance).

Home Service Agreement: ORS 636A.154 (6)(a) provides the surety bond requirements for an obligor who is not registered with the CCB (Construction Contractors Board). The Insurance Institutions Section website contains the application form. See <https://dfr.oregon.gov/business/licensing/insurance/institutions/Pages/service-contracts.aspx>

Requirements	Compliance	
Filing includes a filing description on the first screen in SERFF, or a cover letter under Supporting Documentation.	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 . Please attach to the Supporting Documentation Tab in SERFF.	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. The entire document number including edition/version date, must be in the Form Number field. When renewing or revising forms, the numbers need to be changed in order to distinguish the new version from the replaced version.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Filing includes this product standards checklist 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 (1)	<p>A service contract may also provide for:</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 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>Coverage included in the service contract wording that is related to “vehicle protection product” may 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>		
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>		

Reference	Description
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(1)	<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 (6)	Home service agreement obligor is registered with the CCB or meets the financial requirements set forth in statute (\$25,000 bond filed and approved) and the contracts are included in the submission.	Confirm N/A <input type="checkbox"/> <input type="checkbox"/>
ORS 646A.154(2) & (3), OAR 836-200-0000	Is the Obligor registered in Oregon? All obligors of service contracts issued, sold or covering property located in this state shall file a registration with the Department of Consumer and Business Services on a form, at a fee and at a frequency that the director specifies under ORS 646A.168. Registered Obligor 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.154, ORS 646A.156(2), OAR 836-200-0030	The obligor is clearly identified as the responsible financial party within form, including a contact address, phone number (toll free if available), and other available contact information.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
Arbitration/Dispute Resolution	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. The party's right to a jury trial cannot be denied.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____
ORS 646A.154(5)(b), OAR 836-200-0030	Each obligor shall provide the director with one of the following as proof of financial stability: (a) A copy of the obligor's most recent Form 10-K that the obligor or the obligor's parent company, if the obligor consolidates financial statements with a parent company, filed with the Securities and Exchange Commission. A Form 10-K that the obligor or the obligor's parent company filed within the last calendar year must show that the obligor or the obligor's parent company has a net worth of at least \$100 million. If the obligor's parent company files the Form 10-K to meet the obligor's financial stability requirement, the parent company shall agree to guarantee the obligations the obligor has in service contracts the obligor sells in this state. If another source is used to meet the financial responsibility requirements (e.g. 10K), please attach it under a new schedule item in the Supporting Documentation area of the SERFF submission. (b) Evidence of a reimbursement insurance policy described in ORS 742.390 that an authorized insurer issues to the obligor and that insures all service contracts the obligor sells. This item will be attached to the Supporting Documentation tab.	Yes No <input type="checkbox"/> <input type="checkbox"/>
ORS 646A.154, ORS 646A.156(2), 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.	Yes No <input type="checkbox"/> <input type="checkbox"/> Page/Paragraph _____

Reference	Description	Compliance
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 amount.	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 _____
OAR 836-200-0040(2), 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 _____
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 No <input type="checkbox"/> <input type="checkbox"/>

Reference	If a reimbursement policy is used to back the obligor then answer questions below.	Compliance	
<p>ORS 742.390(1), ORS 742.390(2)(b), OAR 836-200-0040</p>	<p>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.</p> <p>Forms must clearly identify this information. The following is an example of wording that will be acceptable for the purpose of this section: Upon failure of the obligor to perform under the contract, _____ (name of insurer issuing 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 according to the obligor's contractual obligation under the service contracts issued by the obligor, and _____(insurer) will pay claims against the obligor for return of the unearned purchase price of the service contract.</p>	<p>Yes <input type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>ORS 742.392</p>	<p>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.</p>	<p>Yes <input type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>ORS 742.392</p>	<p>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.</p>	<p>Yes <input type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>ORS 742.390(2)(b), OAR 836-200-0040(2)</p>	<p>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.</p> <p>(2) A reimbursement insurance policy insuring service contracts issued, sold or offered for sale in this state shall conspicuously state that, upon failure of the obligor to perform under the contract, the insurer that 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 according to the obligor's contractual obligations under the service contracts issued by the obligor. The following is an example of wording that will be acceptable for the purpose of this section: Upon failure of the obligor to perform under the contract, _____ (name of insurer issuing 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 according to the obligor's contractual obligation under the service contracts issued by the obligor, and _____(insurer) will pay claims against the obligor for return of the unearned purchase price of the service contract.</p>	<p>Yes <input type="checkbox"/></p>	<p>No <input type="checkbox"/></p>

Reference	If a reimbursement policy is used to back the obligor then answer questions below.	Compliance	
OAR 836-200-0030(11) & (12), OAR 836-200-0040(3)	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"/>