

# ARIZONA PROPERTY AND CASUALTY FORM FILINGS

## SERVICE CONTRACTS

The Arizona Department of Insurance and Financial Institutions (the Department) Property and Casualty Section developed the following checklist to help you identify applicable statutes and rules that apply to this type of filing, in order to facilitate submission of a complete and correct form filing.

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*NOTE: This checklist is not intended to serve as an all-inclusive list of requirements. Forms must meet all requirements of applicable Arizona laws and rules, regardless of whether the law or rule is referenced in this checklist.*

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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** before using them. Each service company must submit forms to the Department for approval, not less than 30 days prior to their proposed effective date. ARS §§ [20-1095.01](#) and [20-1095.06](#):

**Filers are encouraged to review legislative changes to ARS § 20-1095 that are applicable to forms filed/issued on or after, September 29, 2021.**

Topic	References*	Requirements
* ARS“§” = Arizona Revised Statutes Section; “AAC” = Arizona Administrative Code		
<b>State Requirements and Disclosures</b>	<a href="#">ARS §20-1095.06</a>	The service contract and application forms must conform to applicable provisions of ARS §20-1095.06.
<b>Cancellation Pro Rata</b>	<a href="#">ARS §20-1095.06 (D)(9)</a>	No service contract shall be approved unless it contains a provision permitting the cancellation of the contract by the customer.  The cancellation provision shall provide for a pro rata refund, and may deduct benefits paid, and a fee for administrative expenses associated with the cancellation. The administrative fee may be no more than \$75, or 10% of the purchase price of the contract, whichever is less. The administrative fee may not exceed the amount of the refund due.
<b>Cancellation Provisions, Unacceptable</b>	<a href="#">ARS §20-1095.06 (B)(1)</a>	A service contract will not be approved if it contains a cancellation/voiding provision triggered by any of the following:

	<a href="#">ARS §20-1095.06 (B)(3)</a>	<ul style="list-style-type: none"> <li>acts or omissions by the company or its representatives for their failure to provide correct information, or their failure to perform the services in a timely, competent, and workmanlike manner</li> <li>the contract does not state to what extent it will cover or not cover pre-existing conditions</li> <li>misrepresentation by the service company or its subcontractors</li> </ul>
<b>Cost of the Contract</b>	<a href="#">ARS §20-1095.06 (D)(4)</a>	Service contracts shall state the total purchase price of the service contract in the contract or a document provided at the time of purchase.
<b>Coverage of Replaced/Repaired Components</b>	<a href="#">ARS §20-1095.06 (B)(2)</a>	A service contract cannot exclude parts or components that were repaired or replaced under the service contract.
<b>Exclusions in Bold Type</b>	<a href="#">ARS §20-1095.06 (D)(6)</a>	Exclusions from coverage shall be in bold-faced type.
<b>Financial Assurance</b>	<a href="#">ARS §20-1095.06 (D)(1) &amp; (2)</a>	<p>Service contracts that are insured under a mechanical reimbursement insurance policy pursuant to section 20-1095.03(A)(3)(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".</p> <p>Service contracts that are not insured under a reimbursement insurance policy pursuant to section 20-1095.03(A)(3)(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".</p>
<b>Limitations of Contract</b>	<a href="#">ARS §20-1095.06 (D)(6)</a>	Service contracts shall specify the merchandise and services to be provided and any limits, exceptions or exclusions.
<b>Material Acts Cancellation</b>	<a href="#">ARS §20-1095.06 (D)(11)</a>	A service contract must state any material acts or omissions by the contract holder that may result in cancellation or voiding of the contract.
<b>Name/Address</b>	<a href="#">ARS §20-1095.06 (D)(3)</a>	Service contracts shall state the name and address of the obligor, the administrator (if applicable), the seller, and the service contract holder. This information does not need to be preprinted on the contract, but may be added to the service contract at the time of sale.
<b>Non-original Manufacturers' Parts</b>	<a href="#">ARS §20-1095.06(D)(7)</a>	Service contracts covering motor vehicles shall state whether the use of non-original manufacturers' parts is allowed.
<b>Pre-existing Conditions</b>	<a href="#">ARS §20-1095.06 (D)(12)</a>	Service contracts must clearly indicate whether or not pre-existing conditions are covered or excluded.
<b>Transfer of Contract</b>	<a href="#">ARS §20-1095.06 (D)(8)</a>	A service contract must state any restrictions governing the transferability of the contract, if applicable.
<b>Deductible</b>	<a href="#">ARS §20-1095.06 (D)(5)</a>	Service contracts shall state the existence of a deductible amount, if applicable.
<b>Services to be Performed</b>	<a href="#">ARS §20-1095.06 (D)(6)</a>	Service contracts shall specify the merchandise and services to be provided.

<b>Systems Covered</b>	<a href="#">ARS §20-1095.06 (D)(6)</a>	Service contracts shall specify the merchandise and services to be provided and any limits, exceptions or exclusions.
<b>Clear, Understandable Language</b>	<a href="#">AR S §20-1095.06 (D)</a>	Service contracts shall be written, printed or typed in clear, understandable language that is easy to read.
<b>Expiration of Contract</b>	<a href="#">ARS §20-1095.06 (D)(9)</a>	A service contract must clearly state the termination or expiration date (in the contract or a document provided at the time of purchase) in order to calculate the pro rata refund.
<b>Warranty</b>	<a href="#">ARS § 20-1095(9)</a>	The word “warranty” 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: \_\_\_\_\_