

NHSCA – SCIC Model Exemption Act *

Version 10-31-05

Section 1. (a) The marketing, sale, offering for sale, issuance, making, proposing to make and administration of a service contract shall not be construed to be the business of insurance and shall be exempt from regulation as insurance pursuant to {insert applicable chapter}.

(b) For purposes of this section, “**service contract**” means a contract or agreement for a separately stated consideration for a specific duration to perform the service, repair, replacement or maintenance of property or indemnification for service, repair, replacement or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances, including, but not limited to, towing, rental and emergency road service. Service contracts may provide for the service, repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling.

Section 2. This act shall take effect _____

*SCIC formal action to endorse this model is pending. SCIC has participated in the drafting of this bill.