

State Corporation Commission 2006 Fiscal Impact Statement

1. Bill Number HB383

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Suit

3. Committee Passed Both Houses

4. Title Home service contract providers

5. Summary/Purpose: Creates a new article (in the insurance title) pertaining to home service contract providers to allow for the offer of contracts for a specific duration for the repair, replacement, or maintenance of property, or indemnification for repair, replacement or maintenance, for the operational failure of any of any components, parts appliances or systems of a covered residential dwelling due to a defect in materials, workmanship, inherent defects or normal wear and tear. Such contracts are not considered insurance contracts and are not subject to the provisions of Title 38.2 except as specifically provided in the new article. Warranties, maintenance agreements, and the warranties, service contracts or maintenance agreements offered by public utilities on their transmission devices are exempt from this new article.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The Bureau of Insurance staff worked with interested parties and Delegate Suit on the amendment in the nature of a substitute to House Bill 383.

Date: 03/20/06 / V. Tompkins

cc: Secretary of Commerce and Trade