

of entities acting in concert.

- (6) "Provider" means a person who is contractually obligated to provide the services or indemnification under a home service contract.
- (7) "Provider fee" means the consideration paid for a home service contract.
- (8) "Service contract holder" or "contract holder" means a person who is the purchaser or holder of a home service contract.
- (9) "Warranty" means a warranty made solely by the manufacturer, importer, or seller of property or services, including builders on new home construction, without consideration, that is not negotiated or separated from the sale of the product and is incidental to the sale of the product, 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.

Proposed law provides that home service contracts shall not be issued, sold, or offered for sale in this state unless the provider has done each of the following:

- (1) Registered with the secretary of state and remains in good standing.
- (2) Provided a receipt for or other written evidence of the purchase of the home service contract to the contract holder.
- (3) Provided a copy of the home service contract to the service contract holder within a reasonable period of time from the date of purchase.

Proposed law provides that each provider of a home service contract sold in this state shall file a registration with the secretary of state consisting of his name, address, telephone number, and contact person, designating a person in this state for service of process, and providing a listing of all officers, all directors, and all owners of 10 percent or more of the business.

Proposed law requires the provider shall file a copy of its basic organizational documents, including articles of incorporation, articles of organization, articles of association, or a partnership agreement.

Proposed law provides that each application for registration shall be accompanied by a fee not to exceed \$600.

Proposed law provides that a registration is effective for two years, unless it is denied, renewed, suspended, or revoked.

Proposed law provides that 90 days prior to the expiration of a registration, a provider shall submit a renewal application on a form prescribed by the secretary of state and a renewal fee not to exceed \$250.

Proposed law provides that all fees must be paid to the secretary of state.

Proposed law provides that each registrant shall notify the secretary of state of any material change in the registration information within 60 days of the effective date of such change. The notice shall be accompanied by supporting documentation.

Proposed law provides that each provider shall file with the secretary of state a surety bond in the amount of \$50,000.

Proposed law provides that the marketing, sale, offering for sale, issuance, making, proposing to make, and administration of home service contracts by providers and related service contract sellers, administrators, and other persons is not insurance and shall be exempt from all provisions of the La. Insurance Code.

Proposed law provides that each home service contract marketed, sold, offered for sale, issued, made, proposed to be made, or administered in this state shall be written, printed, or typed in clear, understandable language that is easy to read and shall disclose certain information.

Proposed law provides that a home service contract shall require every provider to permit the service contract holder to return the home service contract within 20 days of the date the home service contract was mailed to the service contract holder or within 10 days of delivery if the home service contract is delivered to the service contract holder at the time of sale or within a longer time period permitted under the home service contract. Upon return of the home service contract to the provider within the applicable time period, if no claim has been made under the home service contract prior to its return to the provider, the home service contract is void and the provider shall refund to the service contract holder, or credit the account of the service contract holder, with the full purchase price of the home service contract.

Proposed law provides that the right to void the home service contract is not transferable and shall apply only to the original service contract holder and only if no claim has been made prior to its return to the provider. In addition, a 10 percent penalty per month shall be added to a refund that is not paid or credited within 45 days after return of the home service contract to the provider.

Proposed law provides that a provider shall not use in its name the words "insurance", "casualty", "surety", "mutual", or any other words descriptive of the insurance, casualty, or surety business or a name deceptively similar to the name or description of any insurance or surety corporation, or to the name of any other provider.

Proposed law allows the use of the word "guaranty" or similar word by a provider and provides that the provider shall include in the contract a statement in substantially the following form: "This agreement is not an insurance contract."

Proposed law provides that a provider or its representative shall not in its home service contracts or literature make, permit, or cause to be made any false or misleading statement, or deliberately omit any material statement that would be considered misleading if omitted.

Effective August 1, 2015.

(Adds R.S. 51:3141-3146; repeals R.S. 22:821(B)(30) and 22:1806.1-1806.9)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Moves the registration of home service contract providers from the State Licensing Board for Contractors to the secretary of state.