



LAWS OF ALASKA

2003

Source

CSHB 120(RLS) am

Chapter No.

AN ACT

Excluding service contracts from regulation as insurance; relating to insurance licensing for motor vehicle service contracts and home warranties; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Excluding service contracts from regulation as insurance; relating to insurance licensing for
2 motor vehicle service contracts and home warranties; and providing for an effective date.

3
4 *** Section 1.** AS 21.03.021 is amended by adding a new subsection to read:

5 (e) This title does not apply to a service contract offered, issued for delivery,
6 delivered, or renewed in this state. In this subsection, "service contract"

7 (1) means a service contract or agreement for a separate or additional
8 consideration, for a specific duration, to

9 (A) maintain, service, repair, or replace tangible personal
10 property, or to indemnify for repair, replacement, or maintenance, for an
11 operational or structural failure due to a defect in materials or workmanship or
12 normal wear and tear, with or without additional provision for incidental
13 indemnity payments when service, repair, or replacement is not reasonably or

1 commercially feasible;

2 (B) repair, replace, or maintain tangible personal property
3 damaged as a result of power surges or as a result of accidental damage from
4 the handling of property damaged by power surges; or

5 (C) repair, replace, or maintain household consumer goods,
6 household appliances, and household systems, including damage resulting
7 from operational or structural failure due to a defect in materials or
8 workmanship or normal wear and tear;

9 (2) does not include

10 (A) mechanical breakdown insurance;

11 (B) a contract that requires an indemnity payment per incident
12 and the payment exceeds the purchase price of the property serviced;

13 (C) a contract to provide service on a motor vehicle subject to
14 registration under AS 28.10.011; or

15 (D) a home warranty; in this subparagraph, "home warranty"
16 means a warranty that covers the entire home and does not include a warranty
17 limited to a household system or appliance.

18 * **Sec. 2.** AS 21.27.010(h) is amended to read:

19 (h) This chapter does not apply to a person

20 (1) licensed to practice as an attorney at law while the person is acting
21 as an attorney at law; or

22 (2) who sells, solicits, or negotiates a

23 (A) service contract on a motor vehicle subject to
24 registration under AS 28.10.011; or

25 (B) home warranty; in this subparagraph, "home
26 warranty" has the meaning given in AS 21.03.021(e)(2)(D).

27 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).