

Prior law provided that a home service contract shall not be issued, sold, or offered for sale unless the provider gives a receipt for or other written evidence of the purchase of a home service contract and a copy of the home service contract within a reasonable period of time from date of purchase.

New law retains prior law and adds the requirement for an annual financial statement, submitted to the commissioner, showing the solvency of the provider.

New law requires the home service contract provider to provide the commissioner of insurance, by March 1, 2016, a report documenting for calendar year 2015 the number of home service contracts issued or sold with respect to residential property; the gross consideration received; the number and dollar amount of claims paid, categorically by the cost of repair or by the cost of replacement; and the number of claims denied for failure of the service contract holder to receive prior approval for the repair or replacement.

Effective August 1, 2014.

(Amends R.S. 22:1806.3(A)(3); adds R.S. 22:1806.3(A)(4) and (5))