

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2224

AN ACT

AMENDING SECTION 20-1095.02, ARIZONA REVISED STATUTES; RELATING TO SERVICE COMPANY CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 20-1095.02, Arizona Revised Statutes, is amended to
3 read:
4 20-1095.02. Exemptions; definition
5 A. ~~The provisions of~~ This article, except for section 20-1095.09, ~~do~~
6 DOES not apply to the following:
7 1. Warranties issued by manufacturers or sellers ON THE ACTUAL ITEMS
8 THEY MANUFACTURE OR SELL.
9 2. Service contract programs if a motor vehicle manufacturer has
10 financial responsibility for performance.
11 3. Warranties and service contracts issued by a corporation other than
12 a manufacturer or seller in connection with consumer products that are
13 distributed by the corporation if the issuing corporation:
14 (a) Is an affiliate of a consumer products manufacturer.
15 (b) By March 1 of each year submits to the director an independently
16 audited financial statement in which at least one officer of the issuing
17 corporation attests and a certified public accountant certifies that the
18 issuing corporation has and maintains a net worth in excess of one hundred
19 million dollars. Any information, documents and copies that are obtained by
20 or disclosed to the director or any other person pursuant to this subdivision
21 are not available for public inspection, except that the director may use
22 this information in any proceeding relating to this article.
23 4. A service company ~~which~~ THAT issues a service contract to persons
24 other than a consumer.
25 5. A service company ~~which~~ THAT is in the business of selling or
26 servicing any one of the following:
27 (a) Appliances or electronic equipment, or both.
28 (b) Residential heating, cooling or air conditioning systems.
29 (c) Mechanical equipment, other than motor vehicles or their
30 components, WHERE THE SERVICE CONTRACT ONLY COVERS THE ACTUAL ITEM THE
31 SERVICE COMPANY SELLS.
32 6. Any person licensed pursuant to title 32, chapter 10, or not
33 required to be licensed because exempt pursuant to section 32-1121,
34 subsection A, paragraph 13 WHOSE SERVICE CONTRACT ONLY COVERS THE ACTUAL ITEM
35 THE PERSON INSTALLS OR SELLS.
36 7. A MAINTENANCE AGREEMENT OF LIMITED DURATION THAT PROVIDES FOR
37 SCHEDULED MAINTENANCE ONLY AND DOES NOT INCLUDE REPAIR OR REPLACEMENT.
38 B. The director may employ independent examiners pursuant to section
39 20-156 to review and analyze the financial statements that are submitted
40 pursuant to subsection A, paragraph 3 of this section.

1 C. A motor vehicle dealer who is licensed under title 28, chapter 10,
2 who sells a service contract program approved by the director pursuant to
3 section 20-1095.06 and who notifies the director pursuant to section
4 20-1095.07 shall be exempt from the remainder of the requirements of this
5 article.

6 D. For the purposes of this section, "affiliate" means a corporation
7 that is owned or controlled by or is under common control with a
8 manufacturer.