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HOUSE BILL 1928

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State of Washington

68th Legislature

2024 Regular Session

By Representatives Ryu, Robertson, and Reed

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1 AN ACT Relating to regulating service contracts and protection  
2 product guarantees; and amending RCW 48.110.050, 48.110.055,  
3 48.110.060, 48.110.073, 48.110.075, 48.110.110, and 48.110.140.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 48.110.050 and 2016 c 224 s 3 are each amended to  
6 read as follows:

7 (1) Service contracts shall not be issued, sold, or offered for  
8 sale in this state or sold to consumers in this state unless the  
9 service contract provider has:

10 (a) Provided a receipt for, or other written evidence of, the  
11 purchase of the service contract to the contract holder; and

12 (b) Provided a copy of the service contract to the service  
13 contract holder within a reasonable period of time from the date of  
14 purchase.

15 (2) In order to either demonstrate its financial responsibility  
16 or assure the faithful performance of the service contract provider's  
17 or protection product guarantee provider's obligations to its service  
18 contract holders or protection product guarantee holders, every  
19 service contract provider or protection product guarantee provider  
20 shall comply with the requirements of one of the following:

1 (a) Insure ~~((all))~~ each service ~~((contracts))~~ contract or  
2 protection product guarantee under a reimbursement insurance policy  
3 issued by an insurer holding a certificate of authority from the  
4 commissioner or a risk retention group, as defined in 15 U.S.C. Sec.  
5 3901(a)(4), as long as that risk retention group is in full  
6 compliance with the federal liability risk retention act of 1986 (15  
7 U.S.C. Sec. 3901 et seq.), is in good standing in its domiciliary  
8 jurisdiction, and is properly registered with the commissioner under  
9 chapter 48.92 RCW. The insurance required by this subsection must  
10 meet the following requirements:

11 (i) The insurer or risk retention group must, at the time the  
12 policy is filed with the commissioner, and continuously thereafter,  
13 maintain surplus as to policyholders and paid-in capital of at least  
14 ~~((fifteen million dollars))~~ \$15,000,000 and annually file audited  
15 financial statements with the commissioner; and

16 (ii) The commissioner may authorize an insurer or risk retention  
17 group that has surplus as to policyholders and paid-in capital of  
18 less than ~~((fifteen million dollars))~~ \$15,000,000, but at least equal  
19 to ~~((ten million dollars))~~ \$10,000,000, to issue the insurance  
20 required by this subsection if the insurer or risk retention group  
21 demonstrates to the satisfaction of the commissioner that the company  
22 maintains a ratio of direct written premiums, wherever written, to  
23 surplus as to policyholders and paid-in capital of not more than  
24 three to one;

25 (b)(i) Maintain a funded reserve account for its obligations  
26 under its service contracts or protection product guarantees issued  
27 and outstanding in this state. The reserves shall not be less than  
28 ~~((forty))~~ 40 percent of the gross consideration received, less claims  
29 paid, on the sale of the service contract or protection product for  
30 all in-force contracts or protection product guarantees. The reserve  
31 account shall be subject to examination and review by the  
32 commissioner; and

33 (ii) Place in trust with the commissioner a financial security  
34 deposit, having a value of not less than five percent of the gross  
35 consideration received, less claims paid, on the sale of the service  
36 contract or protection product for all service contracts or  
37 protection product guarantees issued and in force, but not less than  
38 ~~((twenty-five thousand dollars))~~ \$25,000, consisting of one of the  
39 following:

1 (A) A surety bond issued by an insurer holding a certificate of  
2 authority from the commissioner;

3 (B) Securities of the type eligible for deposit by authorized  
4 insurers in this state;

5 (C) Cash;

6 (D) An irrevocable evergreen letter of credit issued by a  
7 qualified financial institution; or

8 (E) Another form of security prescribed by rule by the  
9 commissioner; or

10 (c)(i) Maintain, or its parent company maintain, a net worth or  
11 stockholder's equity of at least (~~one hundred million dollars~~)  
12 \$100,000,000; and

13 (ii) Upon request, provide the commissioner with a copy of the  
14 service contract provider's or protection product guarantee  
15 provider's or, if using the net worth or stockholder's equity of its  
16 parent company to satisfy the (~~one hundred million dollar~~)  
17 \$100,000,000 requirement, the service contract provider's or  
18 protection product guarantee provider's parent company's most recent  
19 form 10-K or form 20-F filed with the securities and exchange  
20 commission within the last calendar year, or if the company does not  
21 file with the securities and exchange commission, a copy of the  
22 service contract provider's or protection product guarantee  
23 provider's or, if using the net worth or stockholder's equity of its  
24 parent company to satisfy the (~~one hundred million dollar~~)  
25 \$100,000,000 requirement, the service contract provider's or  
26 protection product guarantee provider's parent company's most recent  
27 audited financial statements, which shows a net worth of the service  
28 contract provider or protection product guarantee provider or its  
29 parent company of at least (~~one hundred million dollars~~)  
30 \$100,000,000. If the service contract provider's parent company's  
31 form 10-K, form 20-F, or audited financial statements are filed with  
32 the commissioner to meet the service contract provider's or  
33 protection product guarantee provider's financial stability  
34 requirement, then the parent company shall agree to guarantee the  
35 obligations of the service contract provider or protection product  
36 guarantee provider relating to service contracts or protection  
37 products sold by the service contract provider or protection product  
38 guarantee provider in this state. A copy of the guarantee shall be  
39 filed with the commissioner. The guarantee shall be irrevocable as  
40 long as there is in force in this state any contract or any

1 obligation arising from service contracts or protection product  
2 guarantees guaranteed, unless the parent company has made  
3 arrangements approved by the commissioner to satisfy its obligations  
4 under the guarantee.

5 (3) Service contracts shall require the service contract provider  
6 to permit the service contract holder to return the service contract  
7 within (~~(twenty)~~) 20 days of the date the service contract was mailed  
8 to the service contract holder or within (~~(ten)~~) 10 days of delivery  
9 if the service contract is delivered to the service contract holder  
10 at the time of sale, or within a longer time period permitted under  
11 the service contract. Upon return of the service contract to the  
12 service contract provider within the applicable period, if no claim  
13 has been made under the service contract prior to the return to the  
14 service contract provider, the service contract is void and the  
15 service contract provider shall refund to the service contract  
16 holder, or credit the account of the service contract holder with the  
17 full purchase price of the service contract. The right to void the  
18 service contract provided in this subsection is not transferable and  
19 shall apply only to the original service contract purchaser. A  
20 (~~(ten)~~) 10 percent penalty per month shall be added to a refund of  
21 the purchase price that is not paid or credited within (~~(thirty)~~) 30  
22 days after return of the service contract to the service contract  
23 provider.

24 (~~((4) This section does not apply to service contracts on motor~~  
25 ~~vehicles or to protection product guarantees.)) This subsection (3)  
26 does not apply to service contracts on motor vehicles.~~

27 **Sec. 2.** RCW 48.110.055 and 2019 c 16 s 3 are each amended to  
28 read as follows:

29 (1) This section applies to protection product guarantee  
30 providers.

31 (2) A person must not act as, or offer to act as, or hold himself  
32 or herself out to be a protection product guarantee provider in this  
33 state, nor may a protection product be sold to a consumer in this  
34 state, unless the protection product guarantee provider has:

35 (a) A valid registration as a protection product guarantee  
36 provider issued by the commissioner; and

37 (b) Either demonstrated its financial responsibility or assured  
38 the faithful performance of the protection product guarantee  
39 provider's obligations to its protection product guarantee holders by

1 (~~insuring all protection product guarantees under a reimbursement~~  
2 ~~insurance policy issued by an insurer holding a certificate of~~  
3 ~~authority from the commissioner or a risk retention group, as defined~~  
4 ~~in 15 U.S.C. Sec. 3901(a)(4), as long as that risk retention group is~~  
5 ~~in full compliance with the federal liability risk retention act of~~  
6 ~~1986 (15 U.S.C. Sec. 3901 et seq.), is in good standing in its~~  
7 ~~domiciliary jurisdiction, and properly registered with the~~  
8 ~~commissioner under chapter 48.92 RCW. The insurance required by this~~  
9 ~~subsection must meet the following requirements:~~

10 ~~(i) The insurer or risk retention group must, at the time the~~  
11 ~~policy is filed with the commissioner, and continuously thereafter,~~  
12 ~~maintain surplus as to policyholders and paid-in capital of at least~~  
13 ~~fifteen million dollars and annually file audited financial~~  
14 ~~statements with the commissioner; and~~

15 ~~(ii) The commissioner may authorize an insurer or risk retention~~  
16 ~~group that has surplus as to policyholders and paid-in capital of~~  
17 ~~less than fifteen million dollars, but at least equal to ten million~~  
18 ~~dollars, to issue the insurance required by this subsection if the~~  
19 ~~insurer or risk retention group demonstrates to the satisfaction of~~  
20 ~~the commissioner that the company maintains a ratio of direct written~~  
21 ~~premiums, wherever written, to surplus as to policyholders and paid-~~  
22 ~~in capital of not more than three to one)) satisfying one of the~~  
23 ~~requirements of demonstrating financial responsibility or assuring~~  
24 ~~faithful performance in accordance with RCW 48.110.050.~~

25 (3) Applicants to be a protection product guarantee provider must  
26 make an application to the commissioner upon a form to be furnished  
27 by the commissioner. The application must include or be accompanied  
28 by the following information and documents:

29 (a) The names of the protection product guarantee provider's  
30 executive officer or officers directly responsible for the protection  
31 product guarantee provider's protection product guarantee business  
32 and their biographical affidavits on a form prescribed by the  
33 commissioner;

34 (b) The name, address, and telephone number of any administrators  
35 designated by the protection product guarantee provider to be  
36 responsible for the administration of protection product guarantees  
37 in this state;

38 (c) ((A)) If a protection product guarantee provider is using a  
39 reimbursement insurance policy in accordance with RCW  
40 48.110.050(2)(a) to demonstrate financial responsibility or assure

1 faithful performance of its obligations to protection product  
2 guarantee holders, a copy of the protection product guarantee  
3 reimbursement insurance policy or policies;

4 (d) A copy of each protection product guarantee the protection  
5 product guarantee provider proposes to use in this state;

6 (e) The most recent annual financial statements, if available, or  
7 the most recent financial statements certified as accurate by two or  
8 more officers of the applicant which prove that the applicant has and  
9 maintains a minimum net worth or stockholder's equity of (~~two~~  
10 ~~hundred thousand dollars~~) \$200,000 or more calculated in accordance  
11 with RCW 48.110.078 and the ability to pay its debts when debts  
12 become due; and

13 (f) A nonrefundable application fee of (~~two hundred fifty~~  
14 ~~dollars~~) \$250.

15 (4) Each registered protection product guarantee provider must  
16 appoint the commissioner as the protection product guarantee  
17 provider's attorney to receive service of legal process issued  
18 against the protection product guarantee provider in this state upon  
19 causes of action arising within this state. Service upon the  
20 commissioner as attorney constitutes effective legal service upon the  
21 protection product guarantee provider.

22 (a) With the appointment the protection product guarantee  
23 provider must designate the person to whom the commissioner must  
24 forward legal process so served upon him or her.

25 (b) The appointment is irrevocable, binds any successor in  
26 interest or to the assets or liabilities of the protection product  
27 guarantee provider, and remains in effect for as long as there could  
28 be any cause of action against the protection product guarantee  
29 provider arising out of any of the protection product guarantee  
30 provider's contracts or obligations in this state.

31 (c) The service of process must be accomplished and processed in  
32 the manner prescribed under RCW 48.02.200.

33 (5) The commissioner may refuse to issue a registration if the  
34 commissioner determines that the protection product guarantee  
35 provider, or any individual responsible for the conduct of the  
36 affairs of the protection product guarantee provider under subsection  
37 (3)(a) of this section, is not competent, trustworthy, cannot  
38 demonstrate a minimum net worth or stockholder's equity in accordance  
39 with the applicable requirements of subsection (3)(e) of this section  
40 and the ability to pay its debts when debts become due, or has had a

1 license as a protection product guarantee provider or similar license  
2 denied or revoked for cause by any state.

3 (6) A registration issued under this section is valid, unless  
4 surrendered, suspended, or revoked by the commissioner, or not  
5 renewed for so long as the protection product guarantee provider  
6 continues in business in this state and remains in compliance with  
7 this chapter. A registration is subject to renewal annually on the  
8 first day of July upon application of the protection product  
9 guarantee provider and payment of a fee of (~~two hundred fifty~~  
10 ~~dollars~~) \$250. If not so renewed, the registration expires on the  
11 June 30th next preceding.

12 (7) A protection product guarantee provider must keep current the  
13 information required to be disclosed in its registration under this  
14 section by reporting all material changes or additions within thirty  
15 days after the end of the month in which the change or addition  
16 occurs.

17 **Sec. 3.** RCW 48.110.060 and 2006 c 274 s 7 are each amended to  
18 read as follows:

19 (1) Reimbursement insurance policies insuring service contracts  
20 or protection product guarantees issued, sold, or offered for sale in  
21 this state or issued or sold to consumers in this state shall state  
22 that the insurer that issued the reimbursement insurance policy shall  
23 either reimburse ((or) the provider, or in the event of  
24 nonperformance by the provider or the provider is unable to fulfill  
25 its contractual obligations to the consumer, shall pay on behalf of  
26 the service contract provider or the protection product guarantee  
27 provider all sums the service contract provider or the protection  
28 product guarantee provider is legally obligated to pay, including but  
29 not limited to the refund of the full purchase price of the service  
30 contract to the service contract holder or shall provide the service  
31 which the service contract provider or the protection product  
32 guarantee provider is legally obligated to perform according to the  
33 service contract provider's or protection product guarantee  
34 provider's contractual obligations under the service contracts or  
35 protection product guarantees issued or sold by the service contract  
36 provider or the protection product guarantee provider.

37 (2) The reimbursement insurance policy or policies shall either  
38 fully insure the obligations of the service contract provider or  
39 protection product guarantee provider (~~, rather than partially~~

1 ~~insure,~~) or insure only in the event of service contract provider or  
2 protection product guarantee provider default or failure to perform.

3 (3) The reimbursement insurance policy or policies shall state  
4 that, in the event the covered service or product is not provided by  
5 the service contract provider or protection product guarantee  
6 provider within 60 days of proof of loss by the service contract or  
7 protection product guarantee holder, the service contract holder or  
8 protection product guarantee holder is entitled to apply directly to  
9 the reimbursement insurance company for payment or performance due.

10 **Sec. 4.** RCW 48.110.073 and 2006 c 274 s 20 are each amended to  
11 read as follows:

12 (1) If the service contract provider or protection product  
13 guarantee provider is using (~~{the}~~) one or more reimbursement  
14 insurance policy or policies to satisfy the requirements of RCW  
15 48.110.050(2)(a), (~~48.110.055(2)(b), or 48.110.075(2)(a),~~) then  
16 (~~the~~) each reimbursement insurance policy shall be filed with and  
17 approved by the commissioner in accordance with and pursuant to the  
18 requirements of chapter 48.18 RCW.

19 (2) All service contracts forms covering motor vehicles must be  
20 filed with and approved by the commissioner prior to the service  
21 contract forms being used, issued, delivered, sold, or marketed in  
22 this state or to residents of this state.

23 (3) All service contracts forms covering motor vehicles being  
24 used, issued, delivered, sold, or marketed in this state or to  
25 residents of this state by motor vehicle manufacturers or import  
26 distributors or wholly owned subsidiaries thereof must be filed with  
27 the commissioner for approval within sixty days after the motor  
28 vehicle manufacturer or import distributor or wholly owned subsidiary  
29 thereof begins using the service contracts forms.

30 (4) The commissioner shall disapprove any motor vehicle service  
31 contract form if:

32 (a) The form is in any respect in violation of, or does not  
33 comply with, this chapter or any applicable order or regulation of  
34 the commissioner issued under this chapter;

35 (b) The form contains or incorporates by reference any  
36 inconsistent, ambiguous, or misleading clauses, or exceptions and  
37 conditions;

38 (c) The form has any title, heading, or other indication of its  
39 provisions that is misleading; or



1 (d) The purchase of the contract is being solicited by deceptive  
2 advertising.

3 **Sec. 5.** RCW 48.110.075 and 2006 c 274 s 18 are each amended to  
4 read as follows:

5 (1) This section applies to service contracts on motor vehicles.

6 (2) Service contracts shall not be issued, sold, or offered for  
7 sale in this state or sold to consumers in this state unless:

8 (a) The service contract provider has either demonstrated its  
9 financial responsibility or assured the faithful performance of the  
10 service contract provider's obligations to its service contract  
11 holders by ~~((insuring all service contracts under a reimbursement  
12 insurance policy issued by an insurer holding a certificate of  
13 authority from the commissioner or a risk retention group, as defined  
14 in 15 U.S.C. Sec. 3901(a)(4), as long as that risk retention group is  
15 in full compliance with the federal liability risk retention act of  
16 1986 (15 U.S.C. Sec. 3901 et seq.), is in good standing in its  
17 domiciliary jurisdiction, and properly registered with the  
18 commissioner under chapter 48.92 RCW. The insurance required by this  
19 subsection must meet the following requirements:~~

20 ~~(i) The insurer or risk retention group must, at the time the  
21 policy is filed with the commissioner, and continuously thereafter,  
22 maintain surplus as to policyholders and paid-in capital of at least  
23 fifteen million dollars and annually file audited financial  
24 statements with the commissioner; and~~

25 ~~(ii) The commissioner may authorize an insurer or risk retention  
26 group that has surplus as to policyholders and paid-in capital of  
27 less than fifteen million dollars, but at least equal to ten million  
28 dollars, to issue the insurance required by this subsection if the  
29 insurer or risk retention group demonstrates to the satisfaction of  
30 the commissioner that the company maintains a ratio of direct written  
31 premiums, wherever written, to surplus as to policyholders and paid-  
32 in capital of not more than three to one)) satisfying one of the  
33 requirements of demonstrating financial responsibility or assuring  
34 faithful performance in accordance with RCW 48.110.050;~~

35 (b) (i) The service contract conspicuously states that the  
36 obligations of the provider to the service contract holder are  
37 guaranteed under the reimbursement insurance policy, the name and  
38 address of the issuer of the reimbursement insurance policy, the

1 applicable policy number, and the means by which a service contract  
2 holder may file a claim under the policy;

3 (ii) A service contract not insured under a reimbursement  
4 insurance policy under RCW 48.110.050(2)(a) and 48.110.060 shall  
5 contain a statement in substantially the following form: "Obligations  
6 of the service contract provider under this contract are backed by  
7 the full faith and credit of the service contract provider";

8 (c) The service contract conspicuously and unambiguously states  
9 the name and address of the service contract provider and identifies  
10 any administrator if different from the service contract provider,  
11 the service contract seller, and the service contract holder. The  
12 identity of the service contract seller and the service contract  
13 holder are not required to be preprinted on the service contract and  
14 may be added to the service contract at the time of sale;

15 (d) The service contract states the purchase price of the service  
16 contract and the terms under which the service contract is sold. The  
17 purchase price is not required to be preprinted on the service  
18 contract and may be negotiated at the time of sale;

19 (e) The contract contains a conspicuous statement that has been  
20 initialed by the service contract holder and discloses:

21 (i) Any material conditions that the service contract holder must  
22 meet to maintain coverage under the contract including, but not  
23 limited to, any maintenance schedule to which the service contract  
24 holder must adhere, any requirement placed on the service contract  
25 holder for documenting repair or maintenance work, any duty to  
26 protect against any further damage, and any procedure to which the  
27 service contract holder must adhere for filing claims;

28 (ii) The work and parts covered by the contract;

29 (iii) Any time or mileage limitations;

30 (iv) That the implied warranty of merchantability on the motor  
31 vehicle is not waived if the contract has been purchased within  
32 ~~((ninety))~~ 90 days of the purchase date of the motor vehicle from a  
33 provider or service contract seller who also sold the motor vehicle  
34 covered by the contract;

35 (v) Any exclusions of coverage; and

36 (vi) The contract holder's right to return the contract for a  
37 refund, which right can be no more restrictive than provided for in  
38 subsection (4) of this section;

39 (f) The service contract states the procedure to obtain service  
40 or to file a claim, including but not limited to the procedures for

1 obtaining prior approval for repair work, the toll-free telephone  
2 number if prior approval is necessary for service, and the procedure  
3 for obtaining emergency repairs performed outside of normal business  
4 hours or for obtaining ~~((twenty-four-hour))~~ 24-hour telephone  
5 assistance;

6 (g) The service contract states the existence of any deductible  
7 amount, if applicable;

8 (h) The service contract states any restrictions governing the  
9 transferability of the service contract, if applicable; and

10 (i) The service contract states whether or not the service  
11 contract provides for or excludes consequential damages or  
12 preexisting conditions.

13 (3) Service contracts shall not contain a provision which  
14 requires that any civil action brought in connection with the service  
15 contract must be brought in the courts of a jurisdiction other than  
16 this state. Service contracts that authorize binding arbitration to  
17 resolve claims or disputes must allow for arbitration proceedings to  
18 be held at a location in closest proximity to the service contract  
19 holder's permanent residence.

20 (4)(a) At a minimum, every provider shall permit the service  
21 contract holder to return the contract within ~~((thirty))~~ 30 days of  
22 its purchase if no claim has been made under the contract, and shall  
23 refund to the holder the full purchase price of the contract unless  
24 the service contract holder returns the contract ~~((ten))~~ 10 or more  
25 days after its purchase, in which case the provider may charge a  
26 cancellation fee not exceeding ~~((twenty-five dollars))~~ \$25.

27 (b) If no claim has been made and a contract holder returns the  
28 contract after ~~((thirty))~~ 30 days, the provider shall refund the  
29 purchase price pro rata based upon either elapsed time or mileage  
30 computed from the date the contract was purchased and the mileage on  
31 that date, less a cancellation fee not exceeding ~~((twenty-five  
32 dollars))~~ \$25.

33 (c) A ~~((ten))~~ 10 percent penalty shall be added to any refund  
34 that is not paid within ~~((thirty))~~ 30 days of return of the contract  
35 to the provider.

36 (d) If a contract holder returns the contract under this  
37 subsection, the contract is void from the beginning and the parties  
38 are in the same position as if no contract had been issued.

39 (e) If a service contract holder returns the contract in  
40 accordance with this section, the insurer issuing the reimbursement

1 insurance policy covering the contract shall refund to the provider  
2 the full premium by the provider for the contract if canceled within  
3 ((~~thirty~~)) 30 days or a pro rata refund if canceled after ((~~thirty~~))  
4 30 days.

5 (5) A service contract provider shall not deny a claim for  
6 coverage based upon the service contract holder's failure to properly  
7 maintain the vehicle, unless the failure to maintain the vehicle  
8 involved the failed part or parts.

9 (6) A contract provider has only ((~~sixty~~)) 60 days from the date  
10 of the sale of the service contract to the holder to determine  
11 whether or not the vehicle qualifies under the provider's program for  
12 that vehicle. After ((~~sixty~~)) 60 days the vehicle qualifies for the  
13 service contract that was issued and the service contract provider  
14 may not cancel the contract and is fully obligated under the terms of  
15 the contract sold to the service contract holder.

16 **Sec. 6.** RCW 48.110.110 and 2006 c 274 s 12 are each amended to  
17 read as follows:

18 (1) Service contract providers or protection product guarantee  
19 providers are considered to be the agent of ((~~the~~)) each insurer  
20 which issued the reimbursement insurance policy or policies for  
21 purposes of obligating the insurer to service contract holders or  
22 protection product guarantee holders in accordance with the service  
23 contract or protection product guarantee holders and this chapter.  
24 Payment of the provider fee by the consumer to the service contract  
25 seller, service contract provider, or administrator or payment of  
26 consideration for the protection product to the protection product  
27 seller constitutes payment by the consumer to the service contract  
28 provider or protection product guarantee provider and to ((~~the~~)) each  
29 insurer which issued the reimbursement insurance policy or policies.  
30 In cases where a service contract provider or protection product  
31 guarantee provider is acting as an administrator and enlists other  
32 service contract providers or protection product guarantee providers,  
33 the service contract provider or protection product guarantee  
34 provider acting as the administrator shall notify ((~~the~~)) each  
35 insurer of the existence and identities of the other service contract  
36 providers or protection product guarantee providers.

37 (2) This chapter does not prevent or limit the right of an  
38 insurer which issued a reimbursement insurance policy to seek  
39 indemnification or subrogation against a service contract provider or

1 protection product guarantee provider if the issuer pays or is  
2 obligated to pay the service contract holder or protection product  
3 guarantee holder sums that the service contract provider or  
4 protection product guarantee provider was obligated to pay under the  
5 provisions of the service contract or protection product guarantee.

6 **Sec. 7.** RCW 48.110.140 and 2006 c 274 s 15 are each amended to  
7 read as follows:

8 The legislature finds that the practices covered by this chapter  
9 are matters vitally affecting the public interest for the purpose of  
10 applying the consumer protection act, chapter 19.86 RCW. Violations  
11 of this chapter are not reasonable in relation to the development and  
12 preservation of business. A violation of this chapter is an unfair or  
13 deceptive act or practice in the conduct of trade or commerce and an  
14 unfair method of competition, as specifically contemplated by RCW  
15 19.86.020, and is a violation of the consumer protection act, chapter  
16 19.86 RCW. Any service contract holder or protection product  
17 guarantee holder injured as a result of a violation of a provision of  
18 this chapter shall be entitled to maintain an action pursuant to  
19 chapter 19.86 RCW against the service contract provider or protection  
20 product guarantee provider and ~~((the))~~ each insurer issuing the  
21 applicable service contract or protection product guarantee  
22 reimbursement insurance policy or policies and shall be entitled to  
23 all of the rights and remedies afforded by that chapter.

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