

NM OFFICE OF
SUPERINTENDENT
OF INSURANCE

2016 DEC 22 PM 2 50

FILED



SUPERINTENDENT OF INSURANCE
John G. Franchini 505-827-4299

NEW MEXICO OFFICE OF
SUPERINTENDENT
OF INSURANCE

DEPUTY SUPERINTENDENT
Robert Doucette 505-827-5832

Bulletin 2016-027
December 22, 2016

TO: ALL PROVIDERS OF SERVICE CONTRACTS

RE: INTERPRETATION OF DELIVERY REQUIREMENT

THE FOLLOWING Bulletin is issued pursuant to NMSA 1978 Sections 59A-58-11(B), and 59A-2-8, and Sections 13.1.2.1 to 13.1.2.10 and 13.10.23.11.

The purpose of this Bulletin is to interpret the service contract delivery requirement found in NMSA Section 59A-58-11(B), and which states, “[t]he provider shall furnish a copy of the service contract to the holder within a reasonable time after the contract is purchased.”

Pursuant to that statutory requirement, all service contract providers must deliver a copy of the actual service contracts to the consumer; acceptable methods of delivery include hand delivery, delivery by US mail or electronic delivery by email or facsimile. Electronic delivery will only satisfy this requirement when the consumer has access to, and agrees to accept, electronic delivery. The service contract provider shall actually deliver to the consumer a copy of the service contract, which shall be customized as necessary for that consumer. At a minimum, the service contract shall be customized to identify the consumer, the item or product covered by the contract, and the start and end dates for the contract, as appropriate.

While it is permissible to direct a potential consumer to a website to view a sample contract prior to sale, directing a contract holder to a website to obtain information about a service contract that the holder has purchased does not satisfy this requirement.

Any person issuing service contracts or soliciting business in any manner other than as described above shall be considered as acting in violation of the New Mexico Insurance Code. Violations of the Insurance Code may be subject to regulatory enforcement and may result in penalties and fines.

Any person aggrieved by a bulletin may request a hearing before the superintendent in accordance with NMSA 1978 Section 59A-4-15.

Main Phone: 505-827-4601
Main Fax: 505-827-4734
Toll Free: 1-855-4-ASK-OSI

Mailing Address:
P.O. Box 1689
Santa Fe, NM 87504-1689

Physical Address:
1120 Paseo de Peralta
Santa Fe, NM 87501

Website: WWW.OSI.STATE.NM.US

If you have additional questions regarding this Bulletin, please contact the Company Licensing Bureau, Office of Superintendent of Insurance, at 1-505-827-4601.

DONE and ORDERED this 22 day of December, 2016.

for Robert E. Davis

JOHN G. FRANCHINI
Superintendent of Insurance

Main Phone: 505-827-4601
Main Fax: 505-827-4734
Toll Free: 1-855-4-ASK-OSI

Mailing Address:
P.O. Box 1689
Santa Fe, NM 87504-1689

Physical Address:
1120 Paseo de Peralta
Santa Fe, NM 87501

Website: WWW.OSI.STATE.NM.US