



Service Contract
Industry Council



September 17, 2025

Rules Coordinator

Washington Office of the Insurance Commissioner

312 Sid Snyder Ave., SW

Olympia, WA 98504

Submitted via email: rulescoordinator@oic.wa.gov

RE: Possible Rulemaking Relating to Service Contracts and Protection Product Guarantees

Dear Commissioner Kuderer:

Thank you for the opportunity to provide industry feedback on the above-mentioned possible rulemaking. The Service Contract Industry Council (SCIC) and the Motor Vehicle Protection Products Association (MVPPA) are national trade associations representing the nation's leading voluntary protection product providers for motor vehicles. The SCIC worked closely with the Office of the Insurance Commissioner (OIC) on House Bill 1006 to modernize the financial assurance requirements and promote a healthy and competitive service contract industry to the benefit of consumers. We appreciate the need for updates to the Washington Administrative Code section 284-110 to reflect these changes. However, the proposal suggests unrelated changes to section 284-20C pertaining to the definition of a "motor vehicle service" contract that could have a profoundly disruptive impact on the industry.

The amendments to RCW 48.110 *et seq.* included in House Bill 1006 exclusively pertain to the financial assurance requirements. Specifically, the bill consolidates the financial assurance requirements in 48.110.055 pertaining to protection product guarantees and 48.110.050 for service contracts. The relevant changes necessary to WAC 284-110 are purely technical in nature and should only require changes to the citations. There should

be little to no substantive changes necessary. We look forward to reviewing proposed changes to this section for consistency with House Bill 1006.

However, WAC 284-20C is not implicated at all in the referenced legislation. The proposal suggests making changes that would fundamentally reverse longstanding precedent created by OIC regarding the treatment of certain service contracts. The proposal identifies 4 specific types of service contracts: tire and wheel, paintless dent repair, windshield, and key fob repair or replacement. These products were expressly authorized as permissible service contract coverages via amendment to the definition of “service contract” in RCW 48.110.020 in 2014 by Senate Bill 5977. At that time, OIC made it clear that these coverages do not qualify as motor vehicle service contracts and are separate lines of authority. The industry has been operating under this guidance for over a decade.

The possible rulemaking proposes making a change to fundamentally alter the statutory scheme that has been understood by industry since the statutory changes were made. At this stage in the process, it is unclear what has changed that would necessitate this reversal. We would appreciate an opportunity to discuss this before any formal rulemaking is undertaken.

Finally, it must be noted that changes to form requirements and/or filing are not mere inconveniences for industry. While internal costs inevitably accrue in making these types of regulatory compliance changes, there are also significant external costs to industry. We would greatly appreciate an opportunity to discuss this with OIC, share the significant harm these changes would have on industry participants, and discuss solutions to any identified problems.

Thank you for the opportunity to respond to this Preproposal Statement of Inquiry. We have worked productively with OIC in the past and look forward to continuing that relationship. We respectfully request a meeting with OIC to discuss the proposal prior to any official rulemaking.

Sincerely,



Travis Moore