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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Wednesday, March 27, 2019
2:30p.m.
State Capitol, Conference Room 308**

**On the following measure:
S.B. 1211, RELATING TO FORMS SUBMITTED
TO THE INSURANCE COMMISSIONER**

Chair Luke and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this administration bill.

The purpose of this bill is to improve and streamline the administrative process and eliminate unnecessary filing requirements for vehicle protection product warrantors and service contract providers.

Currently, vehicle protection product warrantors and service contract providers must annually submit a copy of each warranty or service contract form proposed for use in the State. The Insurance Commissioner, however, does not have the regulatory authority or expertise to approve these forms. Eliminating the form submission requirement will relieve warrantors and service contract providers from the burden of filing these forms without limiting the Insurance Commissioner's authority to obtain any

necessary information as needed, as well as prevent any misconception by warrantors, service contract providers, or the public that the Insurance Commissioner has inspected and approved warrantor forms and service contract forms for use. In addition, this bill will reduce the Insurance Division's administrative expenses and obligations to store and scan these forms.

The Department supports this administration bill and requests that it pass out of this committee unamended. Thank you for the opportunity to testify.



March 27, 2019

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Re: Support of SB1211

On behalf of its members, the Motor Vehicle Protection Products Association (MVPPA) would like to express its **support** of **SB1211** when it comes to you for consideration.

By way of background, MVPPA is a national trade association with member companies that include providers, retailers, administrators, and insurers of motor vehicle protection products ("VPPs"), which include protection service warranties and protection products. Collectively, MVPPA's members represent the leading companies in the protection products industry. The MVPPA's member companies offer over 80% of the protection products available in the marketplace today and include Ally Insurance, AmTrust Financial Services, Assurant Solutions, Automobile Protection Corporation (APCO), Toyota Motor Insurance Services, CNA National Warranty Co., and Nation Safe Drivers. MVPPA's primary goal is to establish a uniform, balanced regulatory landscape across jurisdictions, one that minimizes confusion or dispute about the regulatory status of protection products.

This bill removes the requirement that a vehicle protection product warrantor and a service contract provider submit to the Insurance Commissioner a copy of each warranty or service contract form proposed for use in the State. This will reduce regulatory burden for providers and streamline the process Insurance Division staff. The bill does not remove other contract and disclosure requirements which protect consumers. Also, the bill does not eliminate the power of the Commissioner to investigate or enforce the service contract and vehicle protection product chapters.

The MVPPA thanks you in advance for your time and consideration in this matter and reiterates its **support of SB1211** as currently drafted. Please do not hesitate to contact me directly with any questions, concerns, or requests for additional information at jim@meenanlawfirm.com or (850) 425-4000.

Sincerely,

A handwritten signature in black ink, appearing to read "J. P. Burleson", is written over a white background.

James P. Burleson
Assistant Executive Director
Motor Vehicle Protection Products Association

"Tire, wheel, windshield, dent, appearance care and other valuable coverage."