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# State Licensing Standards Guide

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## The State Licensing Standards Guide

Each state has its own regulations in the way it oversees service contract companies operating within its borders.

On the consumer level, it is extremely disjointed and, in some states, nearly impossible to track down the authority within the state that guides the home service contract industry.

Most home service contract customers do not think about state licensing standards or who to turn to until they have a serious issue with their home service contract company. Then, when answers are hard to find, they realize the home service contract industry in their state is lacking oversight.

To better equip consumers of home service contracts, we have compiled a list of the regulating authority, if there is one, by state.

### State Licensing for Home Service Contracts by State

It is important to note the difference between state licensing and state registration. Licensing requires a company to meet designated criteria, and sometimes there are competency exams or certifications that must be passed and obtained before being authorized to do business in a given state. Registration, on the other hand, typically includes completing a form and paying a fee, but it does not guarantee a level of competency or that certain standards have been met.

The resources outlined below are a great starting point for home service contract licensing by state:



## Alabama

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The Alabama Department of Insurance requires all service contract providers to register with the Commissioner of Insurance. On the Alabama Department of Insurance website, consumers can [search companies](#) that hold active licenses to sell service contracts in the state, and this is also where they can go to [file a complaint](#).

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## Alaska

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The Alaska Department of Law [Consumer Protection Unit](#) has several viable resources for filing claims and connecting with regulating authorities within the state. A few sections within the protection unit that would be helpful in the case of home service contracts are the [Internet Crime Complaint Center \(IC3\)](#), Alaska's division of [Corporations, Business and Professional Licensing](#) and the [Better Business Bureau of Alaska, Oregon and Western Washington](#).

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## Arizona

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All service contract companies must obtain and annually renew a permit from the Arizona [Department of Insurance](#) in order to do business there. Arizona is one of the few states that combines a service warranty, home warranty and vehicle warranty provider services all into one license. To help consumers navigate the home service contract industry in Arizona, the Consumer Affairs Division developed a [consumer guide](#), which includes resources on where to check the Arizona Department of Insurance to make sure the service company has a permit to issue services contracts in the state of Arizona and also provides a contact number where consumers can inquire about a company's complaint history.



## Arkansas

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The Arkansas Insurance Department has a specific [resource page](#) dedicated to home service contracts. In addition to legislation information guiding the state's home service contract providers, their resource page also includes bond and registration forms as well as a "get help" section and contact information for consumers. They also have an easy-to-follow form when [filing a complaint](#).

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## California

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The [California Home Service Contract Association](#) represents the most respected providers of home service contracts in the state of California. The association is meant for the betterment of home buyers, sellers and realtors, but in a highly-regulated, law heavy state like California, it is also a good idea for consumers in that state to do outside research of past rulings and precedents set there. This [Warranty Week](#) archived article does a good job of framing the CHSCA and past court filings involving home service contracts in the state of California.

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## Colorado

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The Office of Attorney General's [Consumer Protection Section](#) is responsible for protecting Colorado consumers from deceptive trade practices and other violations. Their office works to investigate consumer complaints against businesses within Colorado and is a great first stop when researching home service contract companies in the state. The Attorney General's office in Colorado has a dedicated initiative to [stop business fraud](#) and it is also where consumers can go to [file a complaint](#).



## Connecticut

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The Connecticut [Department of Consumer Protection](#) is the regulating authority for a variety of businesses and practices in the state. It is also where consumers can go to [file a complaint](#) and review Connecticut law on [new home warranties](#) and [extended warranties](#) issued in the state.

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## Delaware

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Delaware is one of those states that does not have a clear regulating authority within the home service contract industry. Although, through the Delaware Department of Insurance consumers can [file a complaint](#) and there is an [active companies](#) list of those operating in the state, there have been [court rulings](#) where the Delaware District Court has upheld that a home warranty company is classifiable as a risk retention group, and therefore exempt from all state regulations. All in all, in Delaware home service contracts are a less regulated industry.

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## Florida

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The [Florida Office of Insurance Regulation](#) oversees home warranty contracts and companies for the state. They have a clearly defined outline of [state laws pertaining to home warranty contracts](#), as well as [definitions, rules and forms](#) guiding the industry in the state.



## Georgia

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Home warranty companies are not considered insurance companies in the state of Georgia, so they are not closely regulated by the [Georgia Department of Insurance](#). State law requires home warranty companies operating in Georgia to have their own insurance or financial backing, but there is no requirement to check whether or not a company actually has either. The article, "[Basic Consumer Law in Georgia: Warranties](#)," is a good resource to contextualize Georgia law surrounding home warranties administered in the state, as well as this 2010 [article](#) about home warranty companies operating in the state. The [Governor's Office of Consumer Protection](#) is also a good place for Georgians to go for general support services and to file a complaint.

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## Hawaii

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Hawaii's [Regulated Industries Complaints Office](#) (RICO) investigates allegations of professional misconduct by licensees and unlicensed activity that occurs within the state. They also have a business services section of their website where consumers can [research businesses](#) online and search business and licensee complaint histories; it is also where consumers can go to [file a complaint](#).

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## Idaho

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Idaho's Office of the Attorney General has a [Consumer Protection Manual](#) with details of how they classify and license businesses there. Although home service contracts are not specifically listed with the Idaho Department of Insurance, consumers can go there to [file a complaint](#).

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## Illinois

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The Illinois [Department of Insurance](#) handles the home service contracts industry for the state, and even puts out disclaimers, like [this](#), with warnings of home service contract companies operating illegally or in violation of state regulations.

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## Indiana

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The Indiana [Department of Insurance](#) provides consumer resources for home service contracts, including where to [file complaints](#). A history of Indiana law as it relates to home service contracts can be viewed in this [bulletin](#).

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## Iowa

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Iowa is a great example of a state with clear home service contract requirements and a list of those registered companies that are in compliance. A list of residential service contract companies that are licensed with the Iowa Insurance Division can be found [here](#).

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## Kansas

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A good place to start when it comes to home service contract licensing in Kansas is with the [Kansas Insurance Department](#), although it does not appear that they have a licensing or registration convention for the state.



## Kentucky

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Kentucky also does not have specific licenses or registration proceedings for home service contract companies. The [Kentucky Department of Insurance](#) can be contacted to [file general complaints](#).

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## Louisiana

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Since 2010, Louisiana has a law requiring the registration of any home service contract provider operating in the state. To qualify as a home service contract provider, an entity must file its organizational documents and demonstrate compliance with one of three financial responsibility requirements: insurance backing the service contract program, file a surety bond with the state's [Department of Insurance](#) and maintain a reserve fund to pay future claims, or show evidence of having a net worth of at least \$25 million. The application home service contract companies must complete in order to do business in the state of Louisiana can be viewed [here](#).

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## Maine

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Maine's service contract providers are regulated by [The Service Contract Act](#), which applies to more than just home service contract companies. Here, home service contracts are not classified as insurance, although [registration](#) is done through the Maine Bureau of Insurance.



## Maryland

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Per the [Maryland Department of Labor, Licensing and Regulation](#), warranties are covered by the Maryland Service Contracts and Consumer Products Guaranty Act. But, typically, the [Maryland Home Improvement Commission](#) (MHIC) does not enforce warranties because their authority is limited to investigating whether the initial work was performed in a workmanlike manner. Warranties are only as good as the company that issues them so if the business closes, most consumers are left without a way to enforce the warranty. More information on service contracts in Maryland can be found on the [Attorney General's website](#).

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## Massachusetts

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All home warranty companies doing business in the Commonwealth of Massachusetts must hold a certificate of authority issued by the [Division of Insurance](#). Consumers can verify that a home warranty company is authorized to do business in Massachusetts by contacting the Division of Insurance. Additional information on Homeowners Warranty Contracts and the general laws governing them in Massachusetts can be viewed [here](#).

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## Michigan

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Michigan has a [Consumer Protection Guide](#), which lists federal, state, county and local agencies and consumer and business organizations that offer services, advice and assistance for consumers in Michigan. They have had consumer protection laws in place regarding home service contracts for decades, specifically section [445.903a](#) of the Michigan Consumer Protection Act.



## Minnesota

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Through the Minnesota Department of Labor and Industry, the state offers a [home warranty dispute resolution process](#) with guidelines and resources specific to home service contracts. Each provider of service contracts sold in Minnesota must [file a registration with the Department of Commerce](#).

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## Mississippi

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A service contract is not a contract of insurance under Mississippi law and is exempt from the provisions of Title 83, Mississippi Code of 1972. Service contracts are subject to the provisions of the [Mississippi Consumer Protection Act](#), Section 75-24-1. To view the protection act guiding the state or to file a complaint, visit the [Office of the Attorney General State of Mississippi](#) website.

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## Missouri

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Missouri does not have specific regulations guiding the home service contract industry. However, [general consumer complaints](#) can be filed, and they also have a separate filing process and resources for [insurance complaints](#).

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## Montana

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Montana also appears not to have specific filings or registration requirements for home service contract companies. Alternative resources for the state are the [Office of the Montana State Auditor, Commissioner of Securities and Insurance](#) (CSI), as well as the [Office of Consumer Protection](#).



## Nebraska

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There are some [laws in place guiding warranties](#) and guarantees issued in the state of Nebraska, but none that are specific to recourse or registration of home service contract companies. A general consumer complaint portal can be found on [NebraskaAccess](#).

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## Nevada

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The state of Nevada defines a service contract as a prolonged warranty offered by a warranty administrator, a retailer or a manufacturer. In Nevada, a service contract is not an insurance policy. However, service contracts and extended warranties are regulated by the Division of Insurance. The Division offers a [“Service Contracts Look-up Tool”](#) which contains a listing of licensed service contract providers and each service contract that is approved for use in the state of Nevada.

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## New Hampshire

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New Hampshire has a law in place specific to [“Consumer Guaranty Contracts.”](#) The New Hampshire Department of Justice, Office of the Attorney General offers a [Consumer Sourcebook](#) for specifics on service contracts and extended warranties administered in the state.



## New Jersey

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Service contracts are regulated in the state of New Jersey, but not as insurance. The law provides statutory framework for the regulation of service contracts as they relate to motor vehicle, home and consumer goods. The law is administered by the [Division of Consumer Affairs within the Department of Law and Public Safety](#) and it does not require the registration of providers, but it does establish compliance requirements relating to financial responsibility, statutorily mandated terms and conditions and recordkeeping standards. New Jersey also has [approved new home warranty plans and providers](#).

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## New Mexico

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New Mexico does not appear to have a clear resource center or registration process for home service contract companies. The tracking and monitoring of complaints against businesses operating in the state is done by the [New Mexico Attorney General](#).

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## New York

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The New York State Department of Financial Services has released several statements from the Office of General Counsel on specific [home warranty associations](#), [extended warranties and home warranties](#) and [service contracts](#). In the state of New York, it all boils down to the language in the contract to determine which laws are applicable.

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## North Carolina

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The North Carolina Department of Justice has specific resources pertaining to [home warranties](#). The Department of Justice is also where consumers go to [file a complaint](#).

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## North Dakota

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North Dakota does not have a clear registration process or standards for home service contracts being offered in the state. A general consumer complaint can be filed on the [North Dakota Insurance Department](#) website.

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## Ohio

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Due to the passage of [Ohio House Bill 243](#), filing with the [Ohio Department of Insurance](#) is no longer required for home service contract companies. The home service contract industry goes unregulated in the state; however, Ohio Consumer Protection Laws can be viewed [here](#).

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## Oklahoma

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Service warranty companies are regulated by the [Insurance Commissioner](#) in the state of Oklahoma. Filing instructions and the forms required by Oklahoma can be viewed [here](#).

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## Oregon

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The state of Oregon has a dedicated resource page at [www.oregon.gov](http://www.oregon.gov) pertaining to [new home warranties](#) issued in the state. This is also where consumers can go to [file a complaint](#). But, complaints in Oregon must be filed directly with a contractor, not a third-party warranty company.



## Pennsylvania

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In 2010, Pennsylvania Governor Edward Rendell signed House Bill 1774 into law, which generally **excludes “service contracts” from regulation as insurance**. But, unlike a number of other states, the law does not set up a separate regulatory scheme for service contracts. Pennsylvania also has a **Home Improvement Consumer Protection Act** in place.

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## Rhode Island

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The state of Rhode Island does not appear to have a regulating authority or registration process for home service contract companies. There are **General Regulatory Provisions** as it relates to the disclosure of service contract agreements, but not a particular department or law governing home service contracts.

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## South Carolina

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South Carolina has registration requirements and fees for home service contract companies. The home service contract industry is regulated by the **South Carolina Department of Insurance**.

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## South Dakota

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South Dakota is one of the remaining jurisdictions where there is **limited guidance on the regulation of service contracts**. Absent any specific authority, it would appear that the state insurance code would apply by default – especially the provisions concerning what constitutes a contract of insurance or conducting the business of insurance in the state.





## Tennessee

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Tennessee has [Home Improvement Licensing Requirements](#), but nothing specific to home service contract companies. The [Tennessee Department of Commerce and Insurance](#) lists several consumer advocate services and contact information for different divisions based on the issue, but again, nothing specific to home service contracts or the companies administering them.

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## Texas

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TREC, or the Texas Real Estate Commission, is the name of the agency that oversees residential service contracts in the state of Texas. Texas is one of the few states that makes it really easy to find an online list of approved service contract companies. View their [complete list](#) of residential service companies licensed to sell residential service contracts in Texas.

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## Utah

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The Utah Insurance Department advises consumers with questions about home warranties to contact the [Property and Casualty Division of the Utah Insurance Department](#). Utah also has a [Division of Consumer Protection](#) where complaints can be filed.

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## Vermont

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Vermont's Department of Financial Regulation has [filing instructions and forms for service contract providers](#). The Department also provides insurance information for consumers, as well as a place to [file a complaint](#).

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## Virginia

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[House Bill 1542](#) was passed by the General Assembly during the 2017 Virginia legislative session and has been signed by the governor there. Effective January 1, 2018, this legislation repeals Article 2, Chapter 26 of Title 38.2 of the Virginia Code and transfers regulatory authority over home service contract providers from the Bureau of Insurance to the [Virginia Department of Agriculture and Consumer Services](#).

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## Washington

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The Office of Insurance Commissioner for Washington State has a dedicated resource page [for warranties and service contracts](#). The Office also provides a full [list of those registered to do business](#) in Washington.

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## West Virginia

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West Virginia does not appear to have a dedicated resource page or regulating authority over home service contracts; however, for general information and to file a complaint, consumers can visit the West Virginia [Office of the Insurance Commissioner](#).

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## Wisconsin

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The [2011 Wisconsin Act 226](#) pertains specifically to property service contracts. Although it is not clear where to find a full list of registered home service contract companies, the [Wisconsin State Legislature](#) provides definitions guiding the industry and requirements for doing business in the state of Wisconsin.



## Wyoming

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The [Wyoming Department of Insurance](#) oversees service contract registration and forms.

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### Additional Resources

Complaints run rampant on Facebook pages for home service contract companies, but until more constructive criticism is filed within the industry these companies will continue to do business.

In addition to the licensing authorities listed by state above, it is recommended that consumers also check with the [Better Business Bureau](#) before signing a home service contract. It is also a good idea to file a complaint with the BBB should a consumer encounter any malpractice with a home service contract company.

Another regulatory resource within the home service contract industry is the [National Home Service Contract Association](#) (NHSCA). The NHSCA is a non-profit Kansas Corporation dedicated to industry and consumer information about the use and benefits of home service contracts. Visit the NHSCA website to find companies that meet the guidelines being set in the industry.

### In Conclusion

The companies that make grandiose promises that go unfulfilled are oftentimes the ones that are not being properly regulated. Home service contract consumers must do their homework and check not only ratings and reviews but also whether the home service contract company is operating legally in their state.



## About CompareHomeWarrantyQuotes.com

CompareHomeWarrantyQuotes.com works with top home warranty companies in the home protection and residential service contract industry. In minutes, you receive quotes from the top home warranty companies in your area, with plan details and prices.

Our mission is to provide homeowners with the best home warranties by connecting them with companies and plans that meet their needs and budget.

To see the top home warranty coverage options available in your area, visit our homepage, [www.comparehomewarrantyquotes.com](http://www.comparehomewarrantyquotes.com), and enter in your zip code.



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