



INSTRUCTIONS FOR SERVICE CONTRACT PROVIDER REGISTRATION

Enclosed is the registration form for a service contract provider. Any person who is responsible for the issuance of a service contract is a service contract provider and is required to register with the Missouri Department of Insurance, Financial Institutions and Professional Registration.

Each provider is required to register before issuing any service contract. Each provider is also required to renew its registration annually between January 1 and February 1 of each year after the year of the provider's first registration.

Payment of the registration fee must accompany each registration. The registration fee is three hundred dollars (\$300).

If the provider is "doing business as" a DBA, submit a certified copy of the Certificate in Fact from the Missouri Secretary of State.

Questions regarding this registration or the regulation of service contracts may be directed either by telephone to the Service Contract Regulation section of the Missouri Department of Insurance, Financial Institutions & Professional Registration at (573) 526-5001 or (573) 751-4362 or in writing to Service Contract Regulation, Missouri Department of Insurance, Financial Institutions & Professional Registration, P.O. Box 690, Jefferson City, MO 65102.



MISSOURI DEPARTMENT OF INSURANCE,
 FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
SERVICE CONTRACT PROVIDER REGISTRATION

NEW RENEWAL AMENDED

INSTRUCTIONS

This registration must be accompanied by registration fee equal to \$300. Each provider must register annually between January 1 and February 1 of each calendar year following the calendar year in which the provider originally registered. PERSONAL CHECKS NOT ACCEPTED. Amended applications for registered providers do not require an additional fee.

SECTION 1. PROVIDER INFORMATION (TYPE OR PRINT)

PROVIDER NAME

BUSINESS ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

MAILING ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

REGISTERED AGENT NAME AND ADDRESS, IF APPLICABLE (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

SECTION 2. ADMINISTRATOR INFORMATION

DOES THIS PROVIDER USE THE SERVICES OF ONE OR MORE ADMINISTRATORS?

Yes No If yes, state the name and address of each administrator below (attach additional pages, if necessary)

ADMINISTRATOR NAME

BUSINESS ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

MAILING ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

ADMINISTRATOR NAME

BUSINESS ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

MAILING ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE)

SECTION 3. FINANCIAL RESPONSIBILITY

How will this Provider assure the faithful performance of the provider's obligations to its contract holder? Check which one of the following methods this Provider will use to assure such performance:

- Insure all service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state (if checked, a copy of entire insurance policy must be attached to this Provider Exhibit).
- Maintain a funded reserve account and place in trust with the Missouri Department of Insurance, Financial Institutions and Professional Registration a financial security deposit (if checked, registration is not complete until the Department states in writing that it has confirmed such reserve account and financial security deposit). If applicable, attach surety bond.
- Maintains a net worth of at least one hundred million dollars (\$100,000,000) (if checked, one of the following must be attached [check applicable attachment(s)]):
 - Provider's most recent Form 10-K filed with the Securities and Exchange Commission (SEC).

- Provider's audited financial statements, which must be (1) prepared as of the end of a calendar quarter ending no more than one year prior to the filing of this Provider Exhibit; (2) prepared in accordance with accounting principles generally accepted in the United States of America (USA); and (3) audited by an independent certified public accountant (CPA) in accordance with auditing standards generally accepted in the USA, the report of which CPA accompanies such financial statements.
- The Provider's parent company's written agreement to guarantee the obligations of the Provider relating to service contracts sold by the Provider in this state **and** one of the following (check applicable additional attachment):
 - Provider's parent company's most recent Form 10-K filed with the Securities and Exchange Commission (SEC).
 - Provider's parent company's audited financial statements, which must be: (1) prepared as of the end of a calendar quarter ending no more than one year prior to the filing of this Provider Exhibit; (2) prepared in accordance with accounting principles generally accepted in the United States of America (USA); and (3) audited by an independent certified public accountant (CPA) in accordance with auditing standards generally accepted in the USA, the report of which CPA accompanies such financial statements.

SECTION 4. ATTACHMENTS

Attach:

A. If the provider is not an individual, attach a certified copy of the provider's certificate of good standing, fictitious name registration, or similar certification, from the Missouri Secretary of State.

B. Any attachments required by Sections 1, 2 or 3.

C. If the provider is "doing business as" a DBA, submit a certified copy of the Certificate in Fact from the Missouri Secretary of State.

The undersigned affirms or swears that (1) the information stated in this registration and any attachments thereto is true and correct to the best of his or her belief, information and knowledge, and (2) the undersigned has read and understood the legal requirements printed with this form.

PRINT NAME

TELEPHONE NUMBER	EMAIL
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NOTARY PUBLIC EMBOSSEER OR BLACK INK RUBBER STAMP SEAL	STATE	COUNTY (OR CITY OF ST. LOUIS)	
	SUBSCRIBED AND SWORN BEFORE ME, THIS		
	DAY OF	YEAR	USE RUBBER STAMP IN CLEAR AREA BELOW.
	NOTARY PUBLIC SIGNATURE	MY COMMISSION EXPIRES	
NOTARY PUBLIC NAME (TYPED OR PRINTED)			

Registration required, fee--administrator authorized--provider requirements.

385.302. 1. It is unlawful for any person to issue, sell or offer for sale in this state any service contract, unless each provider has registered with the director on a form prescribed by the director. Each provider shall pay to the director a fee established by the director by rule, but not to exceed three hundred dollars annually.

2. A provider may, but is not required to, appoint an administrator or other designee to be responsible for any or all of the administration of service contracts and compliance with sections 385.300 to 385.320.

3. A provider or its designee shall provide a copy of the service contract to the service contract holder within a reasonable period of time following the date of purchase.

4. In order to assure the faithful performance of a provider's obligations to its contract holders, each provider who contractually is obligated to provide service under a service contract shall comply with one of the following subdivisions:

(1) (a) Maintain a funded reserve account for its obligations under its contract issues and outstanding in this state. The reserve shall not be less than forty percent of gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts. The reserve account shall be subject to examination and review by the director; and

(b) Place in trust with the director a financial security deposit, having a value of not less than five percent of the gross consideration received, less claims paid, on the sale of the service contract for all service contracts issued and in force, but not less than twenty-five thousand dollars, consisting of one of the following:

- a. A surety bond issued by an authorized surety;
- b. Securities of the type eligible for deposit by authorized insurers in this state;
- c. Cash;
- d. A letter of credit issued by a qualified financial institution; or
- e. Another form of security prescribed by regulations issued by the director; or

(2) (a) Maintain a net worth of one hundred million dollars; and

(b) Provide the director with a copy of the provider's or, if the provider's financial statements are consolidated with those of its parent company, the provider's parent company's most recent Form 10-K filed or Form 20-F with the Securities and Exchange Commission (SEC) within the last calendar year, or if the company does not file with the SEC, a copy of the company's audited financial statements, which shows a net worth of the provider or its parent company of at least one hundred million dollars. If the provider's parent company's Form 10-K, Form 20-F, or audited financial statements are filed to meet the provider's financial stability requirement, then the parent company shall agree to guarantee the obligations of the obligor relating to service contracts sold by the provider in this state; or

(3) Insure all service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state. For the purposes of this subsection, the reimbursement insurance policy shall contain the following provisions:

(a) In the event that the provider is unable to fulfill its obligation under contracts issued in this state for any reason, including insolvency, bankruptcy, or dissolution, the insurer will pay losses and unearned fees under such plans directly to the contract holder making a claim under the contract;

(b) The insurer issuing the contractual liability policy shall assume full responsibility for the administration of claims in the event of the inability of the provider to do so; and

(c) The policy may be canceled or not renewed by either the insurer or the provider not less than sixty days after written notice thereof has been given to the director and provider by the insurer;

(4) The reimbursement insurance referenced in subdivision (3) of this subsection* shall be obtained from an insurer that is authorized, registered or otherwise permitted to transact insurance in this state or a surplus lines insurer authorized pursuant to the laws of this state and which insurer meets one of the following requirements:

(a) Maintain, at the time the policy is filed with the director and continuously thereafter:

- a. Surplus as to policyholders and paid-in capital of at least fifteen million dollars; and
- b. Annually file copies of the insurer's financial statements, its National Association of Insurance Commissioners annual statement, and the actuarial certification if required and filed in the insurer's state of domicile; or

(b) Maintain, at the time the policy is filed with the director and continuously thereafter:

- a. Surplus as to policyholders and paid-in capital of less than fifteen million dollars but at least equal to ten million dollars;
 - b. Demonstrate to the satisfaction of the director that the insurer maintains a ratio of net written premiums, wherever written, to surplus as to policyholders and paid-in capital of not greater than three to one; and
 - c. Annually file copies of the insurer's financial statements, its National Association of Insurance Commissioners annual statement, and the actuarial certification if required and filed in the insurer's state of domicile.
5. Provider fees collected on service agreements shall not be subject to premium taxes. Premiums for reimbursement insurance policies shall be subject to applicable taxes.
6. Except for compliance with the provider's registration requirement in subsection 1 of this section, a person marketing, selling, or offering to sell service contracts for a provider that is registered under this section is exempt from licensing as a producer under the insurance laws of this state.

Reimbursement insurance policy requirements.

385.304. Reimbursement insurance policies insuring service contracts issued, sold or offered for sale in this state shall state that, upon failure of the provider to perform under the contract, including the failure to return the unearned provider fee, the insurer that issued the policy shall pay or perform according to the provider's contractual obligations under the service contracts insured by the insurer.

Contract requirements, contents.

385.306. 1. Service contracts marketed, issued, sold, or offered for sale in this state shall be written in clear, conspicuous, and understandable language, and the entire contract shall be printed or typed in easy-to-read type and conspicuously disclose the requirements in this section, as applicable.

2. Service contracts insured under a reimbursement insurance policy under subdivision (3) of subsection 4 of section 385.302 shall contain a statement in substantially the following form: "Obligations of the provider under this service contract are guaranteed under a reimbursement insurance policy. If the provider fails to pay or provide service on a claim within sixty days after proof of loss has been filed, the contract holder is entitled to make a claim directly against the insurance company." A claim against the provider may also include a claim for return of the unearned provider fee. The service contract also shall state the name and address of the insurer.

3. Service contracts not insured under a reimbursement insurance policy under subdivision (3) of subsection 4 of section 385.302 shall contain a statement in substantially the following form: "Obligations of the provider under this service contract are backed only by the full faith and credit of the provider (issuer) and are not guaranteed under a reimbursement insurance policy." A claim against the provider shall also include a claim for return of the unearned provider fee. The service contract shall also state the name and address of the provider.

4. Service contracts shall identify any administrator, the provider obligated to perform under the contract, and the service contract seller, if different than the provider or administrator. The identities of such parties are not required to be preprinted on the service contract and may be added to the service contract prior to delivery to the contract holder.

5. Service contracts shall state the total purchase price and the terms under which the service contract is sold. The purchase price is not required to be preprinted on the service contract and may be negotiated at the time of sale with the service contract holder.

6. If prior approval of repair work is required, the service contracts shall state the procedure for obtaining prior approval and for making a claim, including a toll-free telephone number for claim service and a procedure for obtaining emergency repairs performed outside of normal business hours.

7. Service contracts shall state the existence of any deductible amount.

8. Service contracts shall specify the merchandise and services to be provided and any limitations, exceptions, or exclusions.

9. Service contracts shall state the conditions upon which the use of nonoriginal manufacturers' parts, refurbished merchandise, or substitute service may be allowed. Conditions stated shall comply with applicable state and federal laws.

10. Service contracts shall state any terms, restrictions, or conditions governing the transferability of the service contract.

11. Service contracts shall state any terms, restrictions, or conditions governing termination of the service agreement by the service contract holder and provider.
12. Service contracts for which the service contract holder pays a separate, identified consideration shall require every provider to permit the service contract holder to return the contract within at least twenty days of the date of mailing of the service contract or within at least ten days if the service contract is delivered at the time of sale or within a longer time period permitted under the contract. If no claim has been made under the contract, the contract is void and the provider shall refund to the contract holder the full purchase price of the contract. A ten percent penalty per month shall be added to a refund that is not paid within forty-five days of return of the contract to the provider. The applicable free-look time periods on service contracts shall apply only to the original service contract purchaser, and only if no claim has been made prior to its return to the provider.
13. Service contracts shall set forth all of the obligations and duties of the service contract holder, such as the duty to protect against any further damage and the requirement for certain service and maintenance.
14. Service contracts shall state clearly whether or not the service contract provides for or excludes consequential damages, preexisting conditions, or events covered under the original manufacturer's warranty.
15. Service contracts shall state any limitations on the number or value of repairs, replacements, or monetary settlements, as applicable, that will be provided during the term of coverage.

Deceptive practices.

- 385.308. 1. It is unlawful for any provider to use in its name the words insurance, casualty, guaranty, surety, mutual, or any other words descriptive of the insurance, casualty, guaranty, or surety business, or any name deceptively similar to the name or description of any insurance or surety corporation, or other provider.
2. This section shall not apply to a company that was using any of the prohibited language in its name prior to August 28, 2007. However, a company using the prohibited language in its name shall disclose in its service contracts a statement in substantially the following form: "This contract is not an insurance contract."
3. It is unlawful for a provider or its representative in its service contracts or literature to make, permit, or cause to be made any false or misleading statement, or deliberately omit any material statement that would be considered misleading if omitted, in connection with the sale, offer to sell or advertisement of a product service contract.
4. It is unlawful for a person, such as a bank, savings and loan association, or lending institution, to require the purchase of a service contract as a condition of a loan or other financing transaction.
5. It is unlawful for a person, such as a manufacturer or retailer, to require the purchase of a service contract as a condition to the sale of goods or services.

Record-keeping requirements.

- 385.310. 1. A provider or administrator shall keep accurate accounts, books, and records concerning transactions regulated under sections 385.300 to 385.320. However, only one set of such accounts, books, and records is required to be maintained and may be maintained by third parties provided the provisions of this section are met.
2. An administrator's or provider's accounts, books, and records shall include:
- (1) Copies of each type of service contract issued;
 - (2) The name and address of each service contract holder to the extent that the name and address have been furnished by the service contract holder;
 - (3) A list of the provider locations where service contracts are marketed, sold, or offered for sale; and
 - (4) Claims files that shall contain at least the dates, amounts, and description of all receipts, claims, and expenditures related to the service contracts.
3. Except as provided in subsection 5 of this section, an administrator or provider shall retain or arrange for the retention of all records pertaining to each service contract holder for at least three years after the specified period of coverage had expired.
4. An administrator or provider may keep all records required under sections 385.300 to 385.320 on a computer disk or

other similar technology. If an administrator or provider maintains records in other than hard copy, records shall be accessible from a computer terminal available to the director and be capable of duplication to legible hard copy.

5. An administrator or provider discontinuing business in this state shall maintain or arrange for the maintenance of its records until it furnishes the director satisfactory proof that it has discharged all obligations to contract holders in this state.

6. An administrator or provider shall make all accounts, books, and records concerning transactions regulated under sections 385.300 to 385.320 or other pertinent laws available to the director upon request.

Termination, notice required.

385.312. As applicable, an insurer that issued a reimbursement insurance policy shall not terminate or nonrenew the policy until a notice of termination has been mailed or delivered to the director. The termination or nonrenewal of a reimbursement insurance policy shall not reduce the issuer's responsibility for service contracts issued by providers prior to the date of the termination.

Providers considered agents of insurer, when--indemnification and subrogation.

385.314. 1. Providers are considered to be the agent of the insurer which issued the reimbursement insurance policy for purposes of obligating the insurer to contract holders under service contracts associated with the insurer's reimbursement policy, and the payment of premium by the provider is not a condition to the insurer's obligations for otherwise validly issued service contracts.

2. Sections 385.300 to 385.320 shall not prevent or limit the right of an insurer which issued a reimbursement insurance policy to seek indemnification or subrogation against a provider if the issuer pays or is obligated to pay the service contract holder sums that the provider was obligated to pay pursuant to the provisions of the product service contract.



MISSOURI DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
GUARANTY OF SERVICE CONTRACT OBLIGATIONS

In consideration of the Director of the Missouri Department of Insurance, Financial Institutions & Professional Registration, including his or her successor in office (the "Director"), accepting the registration of or otherwise in the Director's discretion giving other accommodations to _____, a corporation created in the State of _____ (the "Provider"), under the service contract law (sections 385.300 through 385.320 of the Revised Statutes of Missouri ("RSMo")), the undersigned (the "Guarantor") hereby unconditionally guarantees to the Director that (a) the Provider will duly and punctually pay or perform, at the place specified therefor, or if no place is specified, at the Director's office, all indebtedness, obligations and liabilities, direct or indirect, matured or unmatured, primary or secondary, certain or contingent, of the Provider to the holders of the Provider's service contracts now or hereafter owing or incurred (including without limitation costs and expenses incurred by such holders in attempting to collect or enforce any of the foregoing) which are chargeable to the Provider either by law or under the terms of the service contracts with the Provider accrued in each case to the date of payment hereunder (collectively the "Obligations" and individually an "Obligation"); and (b) if there is an agreement or instrument evidencing or executed and delivered in connection with any Obligation, the Provider will perform in all other respects strictly in accordance with the terms thereof.

This Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment and performance by the Provider of the Obligations and not of their collectability only and is in no way conditioned upon any requirement that the Director first attempt to collect any of the Obligations from the Provider or any other party primarily or secondarily liable with respect thereto or resort to any security or other means of obtaining payment of any of the Obligations which the Director now has or may acquire after the date hereof, or upon any other contingency whatsoever.

Upon any default by the Provider in the full and punctual payment and performance of the Obligations, the liabilities and obligations of the Guarantor hereunder shall, at the option of the Director, become forthwith due and payable to the Director, for the use and benefit of the Provider's service contract holders, without demand or notice of any nature, all of which are expressly waived by the Guarantor. Payments by the Guarantor hereunder may be required by the Director on any number of occasions.

The Guarantor further agrees, as the principal obligor and not as a guarantor only, to pay the Director, for the Director's own use and benefit, forthwith upon demand, in funds immediately available to the Director, all costs and expenses (including court costs and legal expenses) incurred or expended by the Director in connection with this Guaranty and the enforcement hereof, together with interests on amounts recoverable under this Guaranty from the time such amounts become due until payment at the usual rate charged by the Director in similar circumstances, but in no event less than nine percent (9%) per annum.

The liability of the Guarantor hereunder shall be unlimited in amount.

The obligations of the Guarantor under this Guaranty shall continue in full force and effect until the Director shall have received from the Guarantor written notice of the Guarantor's intention to discontinue this Guaranty, notwithstanding any intermediate or temporary payment or settlement of the whole or any part of the Obligations. No such notice shall affect the liability of the Guarantor hereunder with respect to any Obligations incurred by Provider prior to the receipt of such notice. In the event of any such discontinuance of this Guaranty, all claims for payment made under service contracts of the Provider purporting to be dated on or before the date such discontinuance is received by the Director shall form part of the Obligations. No such notice shall be effective unless received and acknowledged by representative of the Director at the office of the Director.

The Guarantor grants to the Director, as security for the full and punctual payment and performance of the Guarantor's obligations hereunder, a continuing lien on and security interest in all securities or other property belonging to the Guarantor now or hereafter held by the Director and in all sums due from the Director to the Guarantor; and, regardless of the adequacy of any collateral or other means of obtaining repayment of the Obligations, the Director may at any time and without notice to the Guarantor set off the whole or any portion or portions of any or all such deposits and other sums against amounts payable under this Guaranty.

The Director shall be at liberty, without giving notice to or obtaining the assent of the Guarantor and without relieving the Guarantor of any liability hereunder, to deal with the Provider in any manner for any of the Obligations, in such manner as the Director in his or her sole discretion deems fit, and to this end the Guarantor gives to the Director full authority in his or her sole discretion to do any or all of the following things: (a) grant time, waivers and other indulgences to the Provider in respect to the Obligations or compliance with sections 385.300 through 385.320, RSMo, or rules adopted by the Director pursuant thereto, (b) vary, exchange, release or discharge, wholly or partially, or delay in or abstain from perfecting and enforcing any security or guaranty or other means of obtaining payment of any of the Obligations which the Director now has or acquires after the date hereof, (c) accept partial payments from the Provider or any such other party, (d) release or discharge, wholly or partially, any endorser or guarantor, and (e) compromise or make any settlement or other arrangement with the Provider or any other party.

If for any reason the Provider has no legal existence or is under no legal obligation to discharge any of the Obligations undertaken or purported to be undertaken by it or on its behalf, or if any of the moneys included in the Obligations have become unrecoverable from the Provider by operation of law or for any other reason, this Guaranty shall nevertheless be binding on the Guarantor to the same extent as if the Guarantor at all times had been the principal service contract provider on all such Obligations. This Guaranty shall be in addition to any other guaranty or other security for the Obligations, and it shall not be prejudiced or rendered unenforceable by the invalidity of any such other guaranty or security. Notwithstanding any payment by Provider to any service contract holder or holders of the whole or any portion of the Obligations, if the service contract holder or holders shall be required to pay any amount so paid to the service contract holder or holders to a Trustee in Bankruptcy of Provider, the Guarantor shall remain liable hereunder to the Director for any sums so paid to said Trustee.

The Guarantor waives notice of acceptance hereof, notice of any action taken or omitted by the Director in reliance hereon, and any requirement that the Director be diligent or prompt in making demands hereunder, giving notice of any default by the Provider or asserting any other right of the Director hereunder. The Guarantor also irrevocably waives, to the fullest extent permitted by law, all defenses which at any time may be available in respect of the Guarantor's obligations hereunder by virtue of any homestead exemption, statute of limitations, valuation, stay, moratorium law or other similar law now or hereafter in effect.

So long as any Obligation remains unpaid or undischarged, the Guarantor will not, by paying any sum recoverable hereunder (whether or not demanded by the Director) or by any means or on any other ground, claim any set-off or counterclaim against the Provider in respect of any liability of the Guarantor to the Provider, or in proceedings under the Bankruptcy Code or insolvency proceedings of any nature, prove in competition with the Director in respect of any payment hereunder or be entitled to have the benefit of any counterclaim or proof of claim or dividend or payment by or on behalf of the Provider or the benefit of any other security for any Obligation which, now or hereafter, the Director may hold or in which it may have any share or have any right of subrogation, reimbursement or indemnity or right or recourse to any security which Director may have or hold with respect to the Obligations.

Any demand on or notice to the Guarantor shall be in writing and shall be effective when handed to the Guarantor or left at, or mailed, or sent by telegraph, or faxed, to the Guarantor's usual or last known address.

No provision of the Guaranty can be changed, waived or discharged except by an instrument in writing signed by the Director and the Guarantor expressly referring to the provision of this Guaranty to which such instrument relates; and no such waiver shall extend to, affect or impair any right with respect to any Obligation which is not expressly dealt with therein. No course of dealing or delay or omission on the part of the Director in exercising any right shall operate as a waiver thereof or otherwise be prejudiced thereto.

This Guaranty is enforceable by and only by the Director. No person or entity other than the Director shall have any right or claim under this Guaranty.

This Guaranty is intended to be governed by and construed in accordance with the laws of the State of Missouri and shall inure to the benefit of the Director and his or her successors in office, and assigns, and shall be binding on the Guarantor and the Guarantor's heirs, assigns and legal representatives.

In Witness Whereof, the Guarantor has executed this Guaranty or has caused this Guaranty to be executed on its behalf by an officer or other person thereunto duly authorized on the ____ day of _____, 20__.

SIGNATURE OF OFFICER

PRINTED NAME AND TITLE OF OFFICER

ADDRESS