

HB1046 - Vehicle Service Contracts and Technical Service Bulletins

What is a Vehicle Service Contract (VSC)?

A Vehicle Service Contract is the technical term for an extended warranty. VSC's are commonly available through car manufacturers and third-party dealers (i.e. CarShield).

What is a Technical Service Bulletin (TSB)?

A Technical Service Bulletin is a notice issued by a vehicle manufacturer to service technicians alerting them to common problems with a specific car model. TSB's typically outline the problem and prescribe repair procedures. It is important to note TSB's are not indicative of manufacturer responsibility.

What does HB1046 do?

Currently, some VSC providers wrongly categorize TSB-related repairs as being the manufacturer's responsibility, akin to a recall, allowing them to deny coverage and avoid paying for repairs. This bill closes that loophole, and ensures consumers receive the protection they paid for when purchasing a VSC.

House Bill 1046 prevents Vehicle Service Contracts (VSC's) from using Technical Service Bulletins (TSB's) as sole justification to deny coverage for otherwise eligible vehicle repairs.

Why is HB1046 Necessary?

- **Protects Consumers from Unfair Denials** - Under HB1046 VSC providers would be prohibited from using TSB's to deny otherwise covered repairs.
- **Prevents Deceptive Business Practices** – Third party VSC vendors have a history of unscrupulous business practices. In 2024, the FTC filed a complaint against VSC vendor, CarShield, for deceptive advertising and deliberate efforts to misrepresent the terms of their contracts. HB1046 is a step toward ensuring transparency and accountability in VSC agreements.
- **Protects consumers from Unexpected Costs** - Many drivers purchase VSC's expecting coverage, only to have their coverage voided by the existence of a TSB, forcing them to pay out of pocket for costly vehicle fixes. HB1046 would prevent this financial burden and guarantee consumers receive the coverage they paid for

The logo consists of the words "Technical Service Bulletin" in a white, sans-serif font, stacked vertically and centered within a solid orange square.