



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

25 March 2025

HB1046 – Insurance Protections for Vehicle Service Contracts

Madame Chair, Vice Chair, and members of the Finance Committee. Thank you for the opportunity to present House Bill 1046.

Last year I introduced [HB695](#) (2024), which would have required that consumers be notified of technical service bulletins (TSB's) for a motor vehicle at the point of sale of the vehicle. HB1046 tackles a related issue regarding the relationship between TSB's and vehicle service contracts.

Vehicle service contracts (VSC's) purport to cover the cost of unexpected repairs on vehicles with expired manufacturer warranties. The terms of these contracts vary widely in price, length, and coverage. In theory, VSC's offer peace of mind and financial protections to consumers looking to hedge themselves against pricey vehicle repairs. However, in practice, vendors will obscure the true extent of VSC coverage, leaving customers frustrated and without the protections they expect.

As amended, House Bill 1046 looks to provide protections for consumers who choose to enter a VSC for their car. The bill prohibits VSC's from using TSB's as sole justification for denials. One of the ways in which current law fails to provide those protections for consumers is in how VSC's are regulated with regards to TSB's. Many VSC's *do* provide coverage for issues shared in service bulletins; however, some VSC's contain language preventing coverage of TSB's since they consider TSB's a "notice of manufacturer responsibility," in the same vein as a recall. This is deceptive, as a TSB is not an admittance of responsibility by a manufacturer to fix an issue with a vehicle. Prohibiting TSB's from being used as justification for denial of service under a VSC would address this gap in responsibility.

I am working on a solution with dealers to address broader issues in how technical service bulletins are shared with consumers, but in the meantime, HB1046 protects consumers by ensuring technical service bulletins cannot be used as the only justification for denying a service under a vehicle service contract. I respectfully ask for a favorable report on HB1046, as amended in the House.