
ASSEMBLY BILL NO. 231—ASSEMBLYMEMBERS HUNT;
D’SILVA AND JACKSON

FEBRUARY 10, 2025

JOINT SPONSOR: SENATOR NEAL

Referred to Committee on Commerce and Labor

SUMMARY—Requires a service contract to impose certain duties on the provider of the service contract. (BDR 57-655)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; requiring a service contract to impose certain duties upon the provider of the service contract; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides for the regulation of providers of service contracts by the
2 Commissioner of Insurance. (Chapter 690C of NRS) Existing law requires that a
3 service contract specify the duties of the provider and any limitations, exceptions or
4 exclusions. (NRS 690C.260) This bill requires those duties to include, without
5 limitation, the duty to ensure that: (1) any goods, other than an air conditioner in a
6 home or dwelling, covered under the service contract are restored to sound working
7 condition within 14 business days after receiving notice that the goods are
8 defective; and (2) any goods which are restored and become defective within 14
9 business days after the date on which the goods were restored are restored within 2
10 business days after receiving notice that the goods are defective. With respect to an
11 air conditioner in a home or dwelling that is covered under a service contract, this
12 bill requires a service contract to provide that the provider has the duty to: (1)
13 ensure that the air conditioner is restored to sound working condition within 5
14 business days after receiving notice that the air conditioner is defective; and (2) if
15 the provider fails to do so, provide the holder with sleeping accommodations in a
16 hotel until the air conditioner is restored.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 690C.260 is hereby amended to read as
2 follows:

3 690C.260 1. A service contract must:

4 (a) Be written in language that is understandable and printed in a
5 typeface that is easy to read.

6 (b) Indicate that it is insured by a contractual liability insurance
7 policy if it is so insured, and include the name and address of the
8 issuer of the policy or that it is backed by the full faith and credit of
9 the provider if the service contract is not insured by a contractual
10 liability insurance policy.

11 (c) Include the amount of any deductible that the holder is
12 required to pay.

13 (d) Include the name and address of the provider and, if
14 applicable:

15 (1) The name and address of the administrator; and

16 (2) The name of the holder, if provided by the holder.

17 ↳ The names and addresses of such persons are not required to be
18 preprinted on the service contract and may be added to the service
19 contract at the time of the sale.

20 (e) Include the purchase price of the service contract. The
21 purchase price must be determined pursuant to a schedule of fees
22 established by the provider. The purchase price is not required to be
23 preprinted on the service contract and may be negotiated with the
24 holder and added to the service contract at the time of sale.

25 (f) Include a description of the goods covered by the service
26 contract.

27 (g) Specify the duties of the provider and any limitations,
28 exceptions or exclusions. *The duties of the provider must include,*
29 *without limitation, the duty to:*

30 (1) *Except as otherwise provided in subparagraphs (2) and*
31 *(3), ensure that any goods described in the service contract that*
32 *the provider is obligated to repair or replace in the event the goods*
33 *become defective are restored within 14 business days after*
34 *receiving notice from the holder that the goods are defective.*

35 (2) *Except as otherwise provided in subparagraph (3),*
36 *ensure that any air conditioner in a home or dwelling that the*
37 *provider is obligated to repair or replace in the event that the air*
38 *conditioner becomes defective is restored within 5 business days*
39 *after receiving notice from the holder that the air conditioner is*
40 *defective. If the provider fails to restore the air conditioner within*
41 *that period, the provider shall provide the holder, at no cost to the*



1 *holder, with sleeping accommodations in a hotel until the air*
2 *conditioner is restored.*

3 *(3) If the provider restores any goods and the goods become*
4 *defective within 14 business days after the date on which the goods*
5 *were restored, ensure that the goods are restored within 2 business*
6 *days after receiving notice from the holder that the goods are*
7 *defective.*

8 (h) If the service contract covers a motor vehicle, indicate
9 whether replacement parts that are not made for or by the original
10 manufacturer of the motor vehicle may be used to comply with the
11 terms of the service contract.

12 (i) Include any restrictions on transferring or renewing the
13 service contract.

14 (j) Include the terms, restrictions or conditions for cancelling the
15 service contract before it expires and the procedure for cancelling
16 the service contract. The conditions for cancelling the service
17 contract must include, without limitation, the provisions of
18 NRS 690C.270.

19 (k) Include the duties of the holder under the contract, including,
20 without limitation, the duty to protect against damage to the goods
21 covered by the service contract or to comply with any instructions
22 included in the owner's manual for the goods.

23 (l) Indicate whether the service contract authorizes the holder to
24 recover consequential damages.

25 (m) Indicate whether any defect in the goods covered by the
26 service contract existing on the date the contract is purchased is not
27 covered under the service contract.

28 2. A provider shall not allow, make or cause to be made a false
29 or misleading statement in any of the service contracts of the
30 provider or intentionally omit a material statement that causes a
31 service contract to be misleading. The Commissioner may require
32 the provider to amend any service contract that the Commissioner
33 determines is false or misleading.

34 3. *As used in this section, "restored" means restoration to a*
35 *sound working condition by replacing the goods or any part*
36 *thereof, or by correcting what is inoperative.*

37 **Sec. 2.** The amendatory provisions of this act apply to service
38 contracts entered into on or after October 1, 2025.



