NAIC N OF
INSURANCE COMMISSION

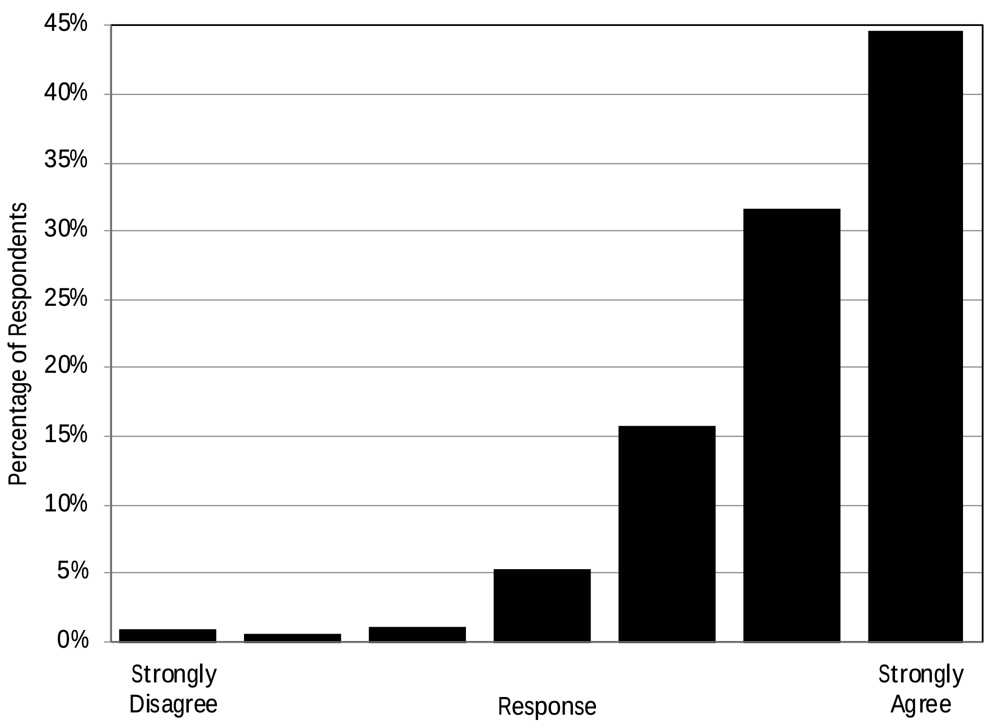
The Service Contracts Model Act: A Quarter Century and Counting–What Now?

ABSTRACT

Introduction

Legal, Legislative, and Consumer Confusion

Graphic 1: Are VSCs and Insurance the Same Thing?



Consumer Perception

The State of Service Contract Regulation Since the Adoption of Model #685

Regulation of the Service Contracts Market Going Forward

Benefits of Regulation

Costs of Regulation

Advantages of Federal Regulation

Advantages of State/Local Regulation

should

What Regulation Does the Service Contracts Industry Need?

Solvency regulations … *Market regulation* …

Potential Sources of Service Contract Market Regulation

post-

Non-Model #685 State/Local Regulation

post-

A Regulatory Spectrum

[illegible]

Graphic 2:

Quadrant III

without

Quadrant IV

without

Potential Regulatory Roadmap - Where to Go from Here

Allow the Current Equilibrium to Continue

Introduce an NAIC-Like Regulatory Framework

Promote Federal Oversight

Model #685 2.0

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