§ 7905. Required disclosures; service contract. (a) Service contracts marketed, sold or offered for sale, issued, made, proposed to be made or administered in this state shall be dated and written in clear, understandable language and the entire service contract shall be printed or typed in easy to read type and disclose the requirements of this section, as applicable. The date the service contract is issued is not required to be preprinted on the service contract and may be added or attached to the service contract at the time of sale.

(b) Service contracts insured under a service contract reimbursement insurance policy pursuant to paragarph one of subsection (c) of section seven thousand nine hundred three of this article shall contain a statement in substantially the following form: "Obligations of the provider under this service contract are insured under a service contract 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 insurer under the service contract reimbursement insurance policy." The service contract shall also state the name and address and a toll-free telephone number of the insurer under the related service contract reimbursement insurance policy.

(c) Service contracts not insured under a service contract reimbursement insurance policy pursuant to paragraph one of subsection (c) of section seven thousand nine hundred three of this article shall contain a statement substantially to the following effect: "Obligations of the provider under this service contract are backed by the full faith and credit of the provider." The service contract shall also state the name and address of the provider thereunder.

(d) Service contracts shall identify any administrator if different from the provider or seller, the provider, and the service contract seller. The identities of such parties are not required to be preprinted on the service contract and may be added to the service contract at the time of sale. Service contracts shall clearly state the procedure that the service contract holder must take to obtain service under the terms and conditions of the service contract.

(e) Service contracts shall state the total purchase price and the terms and conditions 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.

(f) 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 if the service contracts provide services essential to public health, safety or welfare, the service contracts shall either provide for twenty-four hour telephone assistance or state the procedure for obtaining emergency repairs performed outside of normal business hours. The superintendent may promulgate regulations necessary to effectuate this subsection as authorized by section seven thousand nine hundred eleven of this article.

(g) Service contracts shall state the existence of any deductible amount thereunder if applicable.

(h) Service contracts shall specify the merchandise and services to be provided and any limitations, exceptions or exclusions from coverage thereunder if applicable.

(i) Service contracts covering motor vehicles shall state whether the use of non-original manufacturers' parts may be allowed. Conditions stated shall comply with applicable state and federal laws.

(j) Service contracts shall state any terms, restrictions or conditions governing the transferability of such service contracts.

(k) Service contracts shall state the terms, restrictions or conditions governing termination of the service contract by the parties to the service contract. The provider of the service contract shall mail a written notice to the service contract holder at the last known address of the service contract holder contained in the records of the provider at least fifteen days prior to cancellation by the provider. The notice shall state the effective date of the cancellation and the reason for the cancellation. Written notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation, or a substantial breach of duties by the service contract holder relating to the covered property or its use.

(l) 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 any requirement to follow owner's manual instructions.

(m) Service contracts shall clearly state whether or not the service contract provides for or excludes preexisting conditions.

(n) Service contracts shall contain a statement of the service contract holder's right 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 the sale or within a longer time period permitted under the contract. If no claim has been made under the contract, the contract shall be void and the provider shall refund to the contract holder the full purchase price of the contract. The service contract shall also contain a statement that a ten percent penalty per month shall be added to a refund that is not made within thirty days of return of the contract to the provider.