

# **Home Protection Companies and Home Service Contract Providers**

## **Chapter 26 of Title 38.2 of the Code of Virginia**

### **Frequently Asked Questions**

This page is intended to address questions regarding the Bureau's licensing requirements for home protection companies and home service contract providers.

**1. Are home protection companies licensed under Article 1 able to issue home service contracts?**

No. Home service contracts may only be issued by licensed home service contract providers licensed pursuant to Article 2.

**2. May a home protection company licensed under Article 1 issue a product that provides the same or similar coverage as a home service contract?**

Yes. An entity licensed as a home protection company under Article 1 of Chapter 26 may issue home protection insurance contracts (contracts) that offer limited coverage similar to home service contracts provided that the entity and its contracts continue to meet the requirements under Article 1. Such requirements include form and rate approval, and different notice and disclosure requirements.

**3. May one entity be licensed as both a home protection company (Article 1) and a home service contract provider (Article 2)?**

No. Requirements under Articles 1 and 2 are different, and meeting the requirements under one Article will not meet the requirements of the other.

**4. May licensed P&C insurers, writing home protection insurance as a line of authority pursuant to § 38.2-129 of the Code of Virginia, continue to write such insurance contracts?**

Yes. As long as the P&C insurer continues to meet the requirements under Article 1 that are applicable to such insurers. (See § 38.2-2602 of the Code of Virginia.)

**5. May entities licensed as home service contract providers (Article 2) offer home service contracts that cover structural components?**

No. Structural components are not included in the definition of home service contracts under Article 2. An entity wishing to offer such coverage would have to obtain a license as either a home protection company under Article 1, or an insurer licensed to transact home protection insurance. (See 38.2-129 of the Code of Virginia.)

**6. Are home service contract providers (Article 2) subject to form and rate filings with the Bureau of Insurance?**

No. Home service contracts are not insurance and are not subject to form and rate filing requirements.