

# WHAT IF SOMETHING GOES WRONG?



If, after attempting to follow the terms and conditions of the contract, you feel that the service contract administrator is not properly honoring the contract that you have purchased, contact the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation. Our Compliance Unit will attempt to assist you or recommend other avenues that may be available to you.



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## WHAT YOU SHOULD KNOW ABOUT SERVICE CONTRACTS



# KNOW YOUR TERMS, KNOW YOUR RIGHTS: SERVICE CONTRACTS



## WHAT'S A SERVICE CONTRACT?

A service contract, commonly referred to as an extended warranty contract, is defined by the California Business and Professions Code section 9855 as:

*"... a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance, replacement, or repair of an electronic set or appliance, as defined by this chapter, and their accessories or of furniture, jewelry, lawn and garden equipment, power tools, fitness equipment, telephone equipment, small kitchen appliances and tools, optical products, or home health care products ..."*

These contracts cover your purchased items and can provide added value or peace of mind. However, it's important that you read and understand the terms and conditions of the contract; for example, the basics of what is or is not covered, when the contract starts and stops, the limitations of liability, and your responsibilities as a contract holder.

Know what it says and what it covers!

## WHAT DOES THIS MEAN?

Although contracts must be written in clear, easy-to-understand language, they do use unique terms that you should know:

- **Service contract administrator:** The person who arranges for the transfer of money to compensate any party for a claim pursuant to the service contract.
- **Service contract holder:** The person who purchases the service contract.
- **Service contract seller:** The person who sells the contract to the service contract holder.
- **Obligor:** The entity legally and financially bound by the service contract.
- **Service contractor:** Either a service contract administrator or seller.
- **Song-Beverly Consumer Warranty Act:** A part of the California Civil Code that concerns service contracts sold in California.

## KNOW YOUR RIGHTS!

The Song-Beverly Consumer Warranty Act requires that a service contract sold in California must contain certain information about your consumer rights; for example:

- **The right to request to see the terms and conditions of the contract prior to agreeing to purchase it.**
- **A "free look" period of 30 days (for electronics and major appliances) or 60 days (for all other covered products). You may request to cancel the service contract and receive a full refund of the purchase price if canceled within this time period.**
- **Prorated refund of service contracts canceled after the "free look" period.**
- **The name and address of the service contractor responsible for any obligations.**

