

My name is Bill Gunnison, and I am offering testimony on behalf of the Service Contract Industry Council (SCIC) in opposition to House Bill 2709.

SCIC is a national trade association of manufacturers, service contract providers, administrators, and retailers offering service contracts for motor vehicles, homes, and consumer goods. We work closely with state legislators and regulators to ensure strong consumer protections while maintaining a fair and competitive market for service contracts.

At the outset, I want to emphasize that SCIC does not oppose the intent behind House Bill 2709. We fully support the principle that extended warranties should only be offered on vehicles that qualify for coverage. However, we oppose this bill for three reasons:

**1. House Bill 2709 seeks to prohibit conduct that is already illegal.**

- Current law already requires sellers to verify a vehicle's eligibility before offering an extended warranty.
- There are existing statutes that outline specific prohibited sales practices for extended warranties.
- And the Department of Consumer and Business Services already has broad enforcement authority to investigate violations and hold bad actors accountable.

In other words, House Bill 2709 appears to duplicate existing law.

**2. The bill introduces ambiguity into the existing legal framework governing extended warranties.**

- The language of the bill does not clearly define who it applies to
- It doesn't align with existing statutory provisions that govern extended warranties

The bill, as drafted, would unintentionally create confusion in an already well-regulated market.

**3. The bill would impose penalties on the wrong party.**

- In many cases, the entity selling the extended warranty is different from the company providing coverage.
- As currently drafted, the bill would penalize the coverage provider for misconduct committed by an independent seller—even when the provider has no direct control over those sales practices.

This misalignment could result in unfair penalties for reputable providers while failing to hold the actual bad actors accountable.

### **Conclusion**

For these reasons—its redundancy with existing law, the legal ambiguities it introduces, and the misdirected penalties it imposes—SCIC respectfully urges the committee to oppose House Bill 2709.