

# Subscription-Based Business Models: An Overview of Auto-Renewal Regulations

While subscription services (sometimes referred to as auto-renewal programs) can be lucrative, companies should be mindful of the applicable laws to avoid the costs of fighting off the type of lawsuits that led to Sirius XM Radio settling an auto-renewal case for \$3.8 million and Angie's List settling a similar suit for \$2.8 million, warn **Andrew Klungness** and **Aaron Ginsburg** on Bryan Cave's **Retail Law blog**.

They discuss the the three main categories that various states use to regulate automatic renewal programs as they relate to contracts.

"Given the significant penalties and potential litigation costs associated with non-compliance, companies should work with experienced professionals to maximize compliance without adversely impacting the business," the article says.

**Read the article.**