

# Service Contracts and the Magnuson-Moss Warranty Act

Although it is tempting to focus only on state laws when evaluating how a service contract is regulated, the federal Magnuson-Moss Warranty Act (MMWA) provides an important reminder that federal law may be equally as significant, point out Brian T. Casey and Jon L. Gillum of Locke Lord in an **article** for Warranty Week.

“Although service contracts mirror many of the features of traditional insurance products, most states expressly exclude them from the statutory definition of insurance, and the majority of states go one step further by establishing formal licensing and financial security requirements that govern the sale of service contracts to consumers by service contract provider or obligors,” they explain.

But such contracts also are potentially subject to the MMWA.

**Read the article.**