

To: Home Heating Oil Distributors

RE: Home Heating Fuel Service Contracts

Several years ago, the Insurance Commissioner became aware that Home Heating Fuel Distributors were selling service contracts to their consumers in which the Distributor agrees to repair or replace the oil tank and its related parts if the tank fails because it was defective or from wear and tear. After analysis the Commissioner determined that such contracts constitute insurance under the laws of the State of Washington and unless the distributor (obligor on the contract) was licensed as an insurance company, the sale of such contracts constituted the illegal sale insurance. As a result, the oil heat industry was successful in passing Chapter 48.111 RCW. This Chapter provides for a simplified licensing and financial requirement for a home heating fuel distributor to obtain a license in order to sell these contracts to consumers in this State. The statute was effective on June 7, 2006.

Questions?

For all questions or requests for additional information, please contact a [Company Licensing Specialist](#) (choose the "Company applications" category), or phone: 360-725-7219.