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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 5. MOTOR CLUBS [12140 - 12311] (*Part 5 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 3. The Service Contract [12250 - 12256] (*Heading of Chapter 3 renumbered from Chapter 4 by Stats. 1969, Ch. 858.*)

12250. A service contract shall not be executed, issued or delivered in this State until the form thereof is approved in writing by the commissioner.

(Enacted by Stats. 1935, Ch. 145.)

12251. Every service contract executed, issued or delivered in this State shall be made in duplicate and shall be dated and signed by the motor club issuing it. Such contract shall be countersigned by a duly authorized agent of the club, and by the party purchasing the contract. One copy of the contract shall be kept by the club and the other copy shall be delivered to the purchasing party.

(Enacted by Stats. 1935, Ch. 145.)

12252. A service contract shall not be executed, issued or delivered in this State unless it contains the following:

- (a) The exact corporate or other name of the club.
 - (b) The exact location of its home office and of its usual place of business in this State, giving street number and city.
 - (c) A provision that the contract may be canceled at any time by either the club or the holder, and that the holder will, if he has actually paid the consideration, thereupon be entitled to the unused portion of the consideration paid for such contract, calculated on a pro rata basis over the period of the contract, without any deductions.
 - (d) A provision plainly specifying:
 - (1) The services promised.
 - (2) That the holder will not be required to pay any sum, in addition to the amount specified in the contract, for any services thus specified.
 - (3) The territory wherein such services are to be rendered.
 - (4) The date when such service will commence.
 - (e) A statement in not less than fourteen point modern type at the head of said contract stating, "This is not an insurance contract."
- (Enacted by Stats. 1935, Ch. 145.)

12253. A person shall not solicit or aid in the solicitation of another person to purchase a service contract issued by a club not having a certificate of authority procured pursuant to this part.

(Enacted by Stats. 1935, Ch. 145.)

12254. A club or an officer or agent thereof shall not in any manner misrepresent the terms, benefits or privileges of any service contract issued or to be issued by it.

(Enacted by Stats. 1935, Ch. 145.)

12255. Any service contract made, issued or delivered contrary to any provision of this part shall nevertheless be valid and binding on the club.

(Enacted by Stats. 1935, Ch. 145.)

12256. Any motor club may elect not to execute, issue, or deliver service contracts in this state. A club may distribute brochures, prospectuses, or advertisements which are not contracts. Such materials may be issued or delivered without prior approval of the commissioner.

If a club does not use service contracts it shall execute, issue, and deliver membership cards, tokens, or other indicia of membership to its members.

(Added by Stats. 1969, Ch. 858.)