

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure
Vote: 6 - 0 - 0
Yeas: Atkinson, Burdick, Edwards, Girod, Starr, Beyer
Nays: 0
Exc.: 0
Prepared By: Richard Berger, Administrator
Meeting Dates: 5/23

WHAT THE MEASURE DOES: Prohibits portable electronics vendors from issuing, selling, or offering insurance coverage without a limited license from the Department of Consumer and Business Services. Specifies information vendor policyholder must disclose in writing regarding portable electronics insurance to prospective customers. Requires vendor to itemize in writing when the charge for insurance coverage is not included in cost to purchase or lease portable electronics. Allows employees, agents, or representatives of a vendor policyholder to issue, sell, or offer portable electronics insurance without a limited license in specified circumstances. Authorizes Department to impose civil penalty not to exceed \$1,000 per violation and \$10,000 for multiple violations. Specifies when and how a supervising entity may modify or terminate the policy or terminate a customer's coverage. Becomes operative January 1, 2012. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Purchasing insurance through the retail outlet
- Developed in consultation with the Oregon Insurance Division
- Need for statutory regulatory structure for this type of insurance product

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Portable electronic devices include, but are not limited to, cellular phones and electronic tablets. The licensing framework proposed by House Bill 3411 A would not require all sales associates in a store to be licensed if the retailer holds a license that authorizes its employees to sell the insurance product. The licensing framework is patterned after rental car insurance statutes.