

A-Engrossed
House Bill 2346

Ordered by the House March 19
Including House Amendments dated March 19

Sponsored by Representatives HOLVEY, WHISNANT (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Provides that enrolled customer consents to receive notice of modification or termination of portable electronics insurance policy, **or correspondence with respect to policy of portable electronics insurance**, by electronic means if, after insurer, insurer's agent or vendor that sold portable electronics notifies enrolled customer that providing electronic mail address to insurer, insurer's agent or vendor is consent to receive notice **or correspondence** by electronic means, enrolled customer provides electronic mail address.

Provides that supervising entity may provide notice on behalf of vendor policyholder.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to notice required in connection with portable electronics insurance policies; creating new
3 provisions; amending ORS 646A.588; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 646A.588 is amended to read:

6 646A.588. (1) Except as provided in subsections (2) and (3) of this section, *[the]* **an** insurer or
7 *[the]* **a** supervising entity that *[has]* issued a policy of portable electronics insurance to a vendor
8 policyholder may not modify or terminate the terms and conditions of the policy unless the insurer
9 or the supervising entity:

10 (a) Provides the vendor policyholder and enrolled customers with notice of the modification or
11 termination not less than 60 days *[prior to]* **before** the effective date of the modification or termi-
12 nation; and

13 (b) In the event of a modification only, provides:

14 (A) The vendor policyholder with a revised policy or endorsement *[evidencing]* **that is evidence**
15 **of** the modification; and

16 (B) Each enrolled customer with a revised certificate, endorsement or other evidence of a
17 change in terms and conditions, updated written materials and a summary of the material changes
18 to the terms and conditions of coverage.

19 (2)(a) An insurer or a supervising entity may terminate an enrolled customer's portable elec-
20 tronics insurance coverage:

21 (A) Upon *[discovery of]* **discovering** fraud or material misrepresentation *[made by]* the enrolled
22 customer **made** in obtaining the coverage or in *[the presentation of]* **presenting** a claim; or

23 (B) For nonpayment of a premium.

24 (b) The insurer or the supervising entity must notify the enrolled customer at least 15 days be-
25 fore a termination under this subsection.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 (3) An insurer or a supervising entity may immediately terminate an enrolled customer's port-
2 able electronics insurance coverage if the enrolled customer ceases to have active wireless service
3 with the vendor policyholder or the enrolled customer exhausts the aggregate limit of liability, and
4 the insurer or the supervising entity sends notice of termination to the enrolled customer within 30
5 days after the active service ceases or the limit has been exhausted.

6 (4) A vendor policyholder that has issued portable electronics insurance coverage to an enrolled
7 customer may not terminate the coverage unless the vendor policyholder provides the enrolled cus-
8 tomer with notice of the termination not less than 30 days *[prior to]* **before** the effective date of the
9 termination. **The supervising entity may provide notice under this subsection on the vendor**
10 **policyholder's behalf.**

11 (5)(a) Notice **or correspondence** to a vendor policyholder or enrolled customer that is required
12 under this section, **or that is otherwise required by law**, may either be sent as an electronic re-
13 cord in accordance with ORS 84.001 to 84.061 and 84.070, or:

14 (A) In the case of a vendor policyholder, mailed *[by registered or certified mail]* or delivered to
15 the vendor policyholder at the vendor policyholder's principal place of business in this state; or

16 (B) In the case of an enrolled customer, mailed *[by registered or certified mail]* **or delivered** to
17 the enrolled customer's last known mailing address.

18 **(b) An enrolled customer consents to receive a notice or correspondence with respect to**
19 **a policy of portable electronics insurance by electronic means if, after the insurer, the**
20 **insurer's agent or the vendor that sold the portable electronics notifies the enrolled cus-**
21 **tomer that providing an electronic mail address to the insurer, the insurer's agent or the**
22 **vendor is consent to receive the notice or correspondence by electronic means, the enrolled**
23 **customer provides an electronic mail address to the insurer, the insurer's agent or the**
24 **vendor.**

25 *[(b)]* (c) An insurer, a supervising entity or a vendor policyholder *[providing]* **that provides**
26 **notice or sends correspondence** under this section *[must]* **shall** maintain proof of providing the
27 **notice or sending the correspondence** for a minimum of three years after the termination of the
28 portable electronics insurance coverage. **Proof of mailing or delivery to the enrolled customer's**
29 **last known mailing address or electronic mailing address is sufficient proof of providing the**
30 **notice or sending the correspondence.**

31 **SECTION 2.** The amendments to ORS 646A.588 by section 1 of this 2013 Act apply to
32 policies of portable electronics insurance that an insurer or supervising entity issues to a
33 vendor policyholder on or after the effective date of this 2013 Act.

34 **SECTION 3.** This 2013 Act being necessary for the immediate preservation of the public
35 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
36 on its passage.

37