

House Bill 2346

Sponsored by Representatives HOLVEY, WHISNANT (Presession 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 **as introduced**.

Provides that enrolled customer consents to receive notice of modification or termination of portable electronics insurance policy 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 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.

26 (3) An insurer or a supervising entity may immediately terminate an enrolled customer's port-
27 able electronics insurance coverage if the enrolled customer ceases to have active wireless service
28 with the vendor policyholder or the enrolled customer exhausts the aggregate limit of liability, and

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 the insurer or the supervising entity sends notice of termination to the enrolled customer within 30
2 days after the active service ceases or the limit has been exhausted.

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

8 (5)(a) Notice to a vendor policyholder or enrolled customer that is required under this section
9 may either be sent as an electronic record in accordance with ORS 84.001 to 84.061 and 84.070, or:

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

12 (B) In the case of an enrolled customer, mailed by registered or certified mail to the enrolled
13 customer's last known mailing address.

14 **(b) An enrolled customer consents to receive a notice under this subsection by electronic**
15 **means if, after the insurer, the insurer's agent or the vendor that sold the portable elec-**
16 **tronics notifies the enrolled customer that providing an electronic mail address to the**
17 **insurer, the insurer's agent or the vendor is consent to receive the notice by electronic**
18 **means, the enrolled customer provides an electronic mail address to the insurer, the**
19 **insurer's agent or the vendor.**

20 [(b)] (c) An insurer, a supervising entity or a vendor policyholder [*providing*] **that provides**
21 notice under this section [*must*] **shall** maintain proof of providing the notice for a minimum of three
22 years after the termination of the portable electronics insurance coverage.

23 **SECTION 2. The amendments to ORS 646A.588 by section 1 of this 2013 Act apply to**
24 **policies of portable electronic insurance that an insurer or supervising entity issues to a**
25 **vendor policyholder or enrolled customer on or after the effective date of this 2013 Act.**

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

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