



The Technology Protection Company

**Testimony in SUPPORT of HB 4014
By Shawn Miller, on behalf of Asurion
For Chair Shields and Members of the General Government,
Consumer and Small Business Protection Committee**

Asurion is the leading provider of handset protection programs in the country and has joined forces with leading wireless carriers throughout the world to bring this valuable product to consumers. The product that is at the heart of this bill is an insurance program that protects a consumer's investment in their wireless communications device by insuring it against loss, theft, damage, and internal malfunction of the device.

House Bill 4014 would bring the Oregon statute governing portable electronics insurance into line with the majority of states that have adopted legislation concerning portable electronics insurance.

Under current Oregon law a portable electronics insurer has the authority to immediately terminate a consumer's coverage in two circumstances:

- If the customer ceases to have active wireless service with the wireless carrier through whom the customer has enrolled for coverage, or
 - If the customer exhausts the aggregate limit of liability under the terms of the insurance policy.
- **Cessation of Active Service** - Because portable electronics insurance premiums are paid through a consumer's wireless bill, if wireless service is terminated, so is the billing method and the primary and secondary means of contact with the consumer. In practice, we have found that consumers understand that all services, including any insurance coverage elected, is terminated when the wireless service is canceled and premium payments are no longer being billed or collected. The consumer has no expectation of coverage continuing under a wireless carrier's insurance program when the consumer is no longer utilizing the wireless carrier for his or her wireless services. Accordingly, notice in these instances regarding insurance is not expected by the consumer and is unnecessary.
 - **Aggregate Limit Reached** - When aggregate policy limits have been reached, it is necessary to cancel coverage so that premiums are not collected for insurance which the consumer, by the insurance policy's terms, is not entitled to benefits under. However, since the consumer in these instances is still an active subscriber of the wireless carrier it is appropriate to send notice to the consumer informing the consumer of the exhaustion of the aggregate limits, and if such notice is not timely sent coverage should continue until such notice is provided.

House Bill 4014 simply removes the notice requirement when the consumer ceases to have active service with the wireless carrier. However, it preserves the notice requirement regarding aggregate limits reached.

Please support House Bill 4014. Thank you.