

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	11 - 0 - 0
Yeas:	Barton, Fagan, Freeman, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/12

WHAT THE MEASURE DOES: Allows immediate termination of portable electronic insurance policy without notice if the customer ceases to have wireless service with the limited licensee who is the vendor policyholder. Provides that if insurer or supervising entity does not provide timely notice of termination of coverage under portable electronic insurance, then insurance continues even if enrolled customer exhausts aggregate liability limit until insurer or supervising entity provides notice of termination. Becomes operative July 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Consumer protected if insurer does not send timely notice when liability limits exhausted
- No need to notify consumer of termination of insurance when consumer drops wireless carrier

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2011, legislation was enacted to require vendors to obtain a limited license through the Department of Consumer and Business Services before selling or offering portable electronics insurance. The legislation set billing and disclosure requirements as well notice requirements that must occur before the policy can be modified or terminated. Under current statute, the insurer can immediately cancel insurance purchased for portable electronic goods if the customer ceases to have active wireless services with the carrier through whom the customer enrolled for coverage, or if the customer exhausts the aggregate liability limit under the terms of the policy, and if notice of the termination is sent within 30 days after the criteria are met.

House Bill 4014 removes the notice requirement for immediate cancellation when the customer ceases to have active wireless service with the vendor policyholder. In the situation in which a customer exhausts the liability limits of the policy, coverage will continue until notice of termination is sent.