

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Baertschiger Jr, George, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	2/17, 2/19

WHAT THE MEASURE DOES: Removes 30 days' notice requirement for immediate termination of portable electronics insurance policy when customer ceases to have wireless service with vendor policyholder. Specifies that even if customer enrolled in portable electronics insurance exhausts limits of liability on policy, coverage continues until insurer or supervising entity sends enrolled customer notice of termination. Becomes operative July 1, 2014. Declares emergency; effective on passage.

ISSUES DISCUSSED:

- Exhaustion of limits of liability
- Clarifications on portable electronics policies
- Reasons for termination of service
- Consumer complaints on portable electronics insurance

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current statute, a provider of portable electronics insurance may cancel insurance without notice if the customer ceases to have active wireless services with the carrier through whom the customer enrolled for coverage. The insurer may also terminate coverage if the customer exhausts the aggregate liability limit under the policy. Under both scenarios, notice of the termination must be sent to the customer within 30 days of the terminating event.

House Bill 4014 specifies that if the insurer does not send timely notice of termination to the enrolled customer, then coverage continues until such notice is given, regardless of the status of liability limit. Additionally, the measure clarifies that the insurer is not required to provide 30 days' notice to immediately terminate coverage for customers who cease to have active wireless service with the vendor policyholder.