

SB 330 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 4/24

WHAT THE MEASURE DOES:

Modifies conditions under which an insurer or supervising entity may terminate portable electronics insurance coverage. Specifies that electronic notice or correspondence related to portable electronics coverage may be sent to a vendor policyholder under different circumstances than those under which notice may be sent electronically to enrolled customers.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Portable electronics insurance is a relatively new classification of insurance products that provide coverage to a wide array of electronic devices for different causes including loss, theft and malfunction. House Bill 3411 (2011) instituted a requirement that portable electronics vendors obtain a limited license from the Department of Consumer and Business Services in order to sell, or offer for sale, portable electronics insurance coverage.

Senate Bill 330 reduces the required notice to vendor policyholders and enrolled customers from 60 days to 30 days of pending modification or termination of portable insurance coverage by the insurer. The measure allows the insurer to immediately, and without notice, cancel the customer's coverage for failure to pay premiums. Currently, the customer is entitled to 15-days notice under such circumstances. The measure also provides for notice to be given through an email if the customer agrees to electronically receive notices and correspondence.