

A-Engrossed
Senate Bill 330

Ordered by the House May 16
Including House Amendments dated May 16

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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.

Specifies changes to conditions under which insurer or supervising entity may terminate portable electronics insurance coverage.

Provides that electronic notice or correspondence related to portable electronics insurance coverage may be sent to vendor policyholder under circumstances that differ from circumstances under which notice may be sent electronically to enrolled customer.

A BILL FOR AN ACT

1
2 Relating to portable electronics insurance coverage; creating new provisions; and amending ORS
3 646A.588.

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, an insurer or a
7 supervising entity that issued a policy of portable electronics insurance to a vendor policyholder
8 may not modify or terminate the terms and conditions of the policy unless the insurer or the
9 supervising entity:

10 (a) Provides the vendor policyholder and enrolled customers with notice of the modification or
11 termination not less than [60] **30** days before the effective date of the modification or termination;
12 and

13 (b) In the event of a modification only, provides:

14 (A) The vendor policyholder with a revised policy or endorsement that is evidence of the mod-
15 ification; 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 discovering fraud or a material misrepresentation the enrolled customer made in ob-
22 taining the coverage or in 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.

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 (3) An insurer or a supervising entity may immediately terminate an enrolled customer's port-
2 able electronics insurance coverage if:

3 (a) The enrolled customer ceases to have active wireless service with the vendor policyholder;
4 or

5 (b) The enrolled customer exhausts the aggregate limit of liability, and the insurer or the
6 supervising entity sends notice of termination to the enrolled customer within 30 days after the en-
7 rolled customer exhausts the limit. If the insurer or the supervising entity does not send a timely
8 notice of termination to the enrolled customer, notwithstanding the enrolled customer's exhaustion
9 of the limit, coverage continues until the insurer or the supervising entity sends the enrolled cus-
10 tomer a notice of termination.

11 (4) A vendor policyholder that has issued portable electronics insurance coverage to an enrolled
12 customer may not terminate the coverage unless the vendor policyholder provides the enrolled cus-
13 tomer with notice of the termination not less than 30 days before the effective date of the termi-
14 nation. The supervising entity may provide notice under this subsection on the vendor policyholder's
15 behalf.

16 (5)(a) Notice or correspondence to a vendor policyholder [*or enrolled customer*] that is required
17 under this section, or that is otherwise required by law, may [*either*] be sent as an electronic
18 record. [*in accordance with ORS 84.001 to 84.061 and 84.070, or:*]

19 **(b) Notice or correspondence that this section or another provision of law requires to be**
20 **sent to an enrolled customer may be sent as an electronic record if the enrolled customer**
21 **agrees to receive notice or correspondence with respect to portable electronics insurance**
22 **coverage by electronic means in accordance with ORS 84.001 to 84.061.**

23 **(c) If not sent by electronic means, notice or correspondence may be sent by one of the**
24 **following means:**

25 (A) In the case of a vendor policyholder, mailed or delivered to the vendor policyholder at the
26 vendor policyholder's principal place of business in this state; or

27 (B) In the case of an enrolled customer, mailed or delivered to the enrolled customer's last
28 known mailing address.

29 [*(b) An enrolled customer consents to receive a notice or correspondence with respect to a policy*
30 *of portable electronics insurance by electronic means if, after the insurer, the insurer's agent or the*
31 *vendor that sold the portable electronics notifies the enrolled customer that providing an electronic mail*
32 *address to the insurer, the insurer's agent or the vendor is consent to receive the notice or corre-*
33 *spondence by electronic means, the enrolled customer provides an electronic mail address to the insurer,*
34 *the insurer's agent or the vendor.*]

35 [(c)] **(d)** An insurer, a supervising entity or a vendor policyholder that provides notice or sends
36 correspondence under this section shall maintain proof of providing the notice or sending the cor-
37 respondence for a minimum of three years after the termination of the portable electronics insurance
38 coverage. Proof of mailing or delivery to the enrolled customer's last known mailing address or
39 electronic mailing address is sufficient proof of providing the notice or sending the correspondence.

40 **SECTION 2. The amendments to ORS 646A.588 by section 1 of this 2017 Act apply to**
41 **policies for portable electronics insurance coverage that become effective or are renewed on**
42 **or after the effective date of this 2017 Act.**