

1 H.661

2 Introduced by Representatives Marcotte of Coventry, Botzow of Pownal,

3 Kitzmiller of Montpelier, Kupersmith of South Burlington,

4 Ralston of Middlebury, Russell of Rutland City, Scheuermann

5 of Stowe, Shand of Weathersfield and Young of Glover

6 Referred to Committee on

7 Date:

8 Subject: Insurance; limited lines; license; portable electronics

9 Statement of purpose: This bill proposes to establish requirements applicable
10 to portable electronics insurance.

11 An act relating to portable electronics insurance

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 8 V.S.A. chapter 114 is added to read:

14 CHAPTER 114. PORTABLE ELECTRONICS INSURANCE

15 § 4257. DEFINITIONS

16 As used in this chapter:

17 (1) "Portable electronics" means electronic devices that are portable in
18 nature, their accessories, and services related to the use of such devices.

19 (2) "Portable electronics insurance" means insurance which may be
20 offered on a month-to-month or other periodic basis as a group or master

1 commercial inland marine policy that provides coverage for the repair or
2 replacement of portable electronics against any one or more of the following
3 causes of loss: loss, theft, inoperability due to mechanical failure, malfunction,
4 damage, or other similar causes of loss. The term does not include a service
5 contract governed by subchapter 4 of chapter 113 of this title, a policy of
6 insurance covering a seller's or a manufacturer's obligations under a warranty,
7 or a homeowner's, renter's, private passenger automobile, commercial multi-
8 peril, or similar policy.

9 (3) "Portable electronics vendor" means a person in the business of
10 selling or leasing portable electronics directly or indirectly.

11 § 4258. PREMIUM BILLINGS

12 The charges for portable electronics insurance coverage may be billed and
13 collected by a portable electronics vendor. Any charge to a customer for
14 coverage that is not included in the cost associated with the purchase or lease
15 of portable electronics shall be separately itemized on the customer's bill. If
16 the portable electronics insurance coverage is included with the purchase or
17 lease of portable electronics, a portable electronics vendor shall clearly and
18 conspicuously disclose to the customer that the portable electronics insurance
19 coverage is included with the portable electronics. A portable electronics
20 vendor billing and collecting such charges shall not be required to maintain
21 such funds in a segregated account provided that the vendor is authorized by

1 the insurer to hold such funds in an alternative manner and remits such
2 amounts to the insurer or the producer appointed by the insurer to supervise the
3 administration of a portable electronics insurance program within 60 days of
4 receipt. All funds received by a portable electronics vendor from an enrolled
5 customer for the sale of portable electronics insurance shall be considered
6 funds held in trust by the vendor in a fiduciary capacity for the benefit of the
7 insurer. Portable electronics vendors may receive compensation for billing and
8 collection services.

9 § 4259. TERMINATION AND MODIFICATION REQUIREMENTS

10 Notwithstanding any other provision of law, the terms for the termination or
11 modification of a policy of portable electronics insurance shall be as set forth
12 in the policy.

13 § 4260. NOTICE REQUIREMENTS

14 (a) Whenever notice or correspondence with respect to a policy of portable
15 electronics insurance is required pursuant to the policy or is otherwise required
16 by law, it shall be in writing. Notwithstanding any other provision of law,
17 notices and correspondence may be sent either by mail or by electronic means
18 as set forth in this section. If the notice or correspondence is mailed, it shall be
19 sent to the portable electronics vendor at the vendor's mailing address specified
20 for such purpose and to its affected customers' last known mailing address on
21 file with the insurer. The insurer or vendor of portable electronics shall

1 maintain proof of mailing in a form authorized or accepted by the United
2 States Postal Service or other commercial mail delivery service. If the notice
3 or correspondence is sent by electronic means, it shall be sent to the portable
4 electronics vendor at the vendor's electronic mail address specified for such
5 purpose and to its affected customers' last known electronic mail address as
6 provided by each customer to the insurer or vendor of portable electronics. For
7 purposes of this subsection, a customer's provision of an electronic mail
8 address to the insurer or vendor of portable electronics shall be deemed
9 consent to receive notices and correspondence by electronic means. The
10 insurer or vendor of portable electronics shall maintain proof that the notice or
11 correspondence was sent.

12 (b) Notice or correspondence required pursuant to a policy of portable
13 electronics insurance or otherwise required by law may be sent on behalf of the
14 insurer or vendor by an insurance producer appointed by the insurer to
15 supervise the administration of a portable electronics insurance program.

16 § 4261. RULEMAKING; LICENSING; CLAIMS; SALES

17 The commissioner shall adopt rules establishing a business entity limited
18 lines producer license for the sale of portable electronics insurance as well as
19 requirements for the sale of portable electronics insurance by a vendor and its
20 employees and authorized representatives and standards for the adjusting of
21 claims under a policy of portable electronics insurance by a supervising entity.

1 Sec. 2. 8 V.S.A. § 4813a is amended to read:

2 § 4813a. DEFINITIONS

3 For purposes of this subchapter:

4 * * *

5 (10) “Portable electronics insurance” shall have the same meaning as in
6 subdivision 4257(2) of this title.

7 (11) “Portable electronics vendor” shall have the same meaning as in
8 subdivision 4257(3) of this title.

9 (12) “Sell” means to exchange a contract of insurance by any means, for
10 money or its equivalent, on behalf of an insurer.

11 ~~(11)~~(13) “Solicit” means attempting to sell insurance or asking or urging
12 a person to apply for a particular kind of insurance from a particular insurer.

13 ~~(12)~~(14) “Terminate” means the cancellation of the relationship between
14 an insurance producer and the insurer or the termination of a producer's
15 authority to transact insurance.

16 ~~(13)~~(15) “Uniform Application” means the current version of the NAIC
17 Uniform Application for resident and nonresident producer licensing.

18 ~~(14)~~(16) “Uniform Business Entity Application” means the current
19 version of the NAIC Uniform Business Entity Application for resident and
20 nonresident business entities.

21 Sec. 3. 8 V.S.A. § 4813d is amended to read:

1 § 4813d. EXCEPTIONS TO LICENSING

2 (a) Nothing in this subchapter shall be construed to require an insurer to
3 obtain an insurance producer license. In this section, the term “insurer” does
4 not include an insurer’s officers, directors, employees, subsidiaries, or
5 affiliates.

6 (b) A license as an insurance producer shall not be required of the
7 following:

8 * * *

9 (8) A person selling or offering portable electronics insurance who is an
10 employee or authorized representative of a portable electronics vendor licensed
11 as a limited lines insurance producer to sell, solicit, or negotiate portable
12 electronics insurance in accordance with rules adopted by the commissioner
13 pursuant to § 4261 of this title.

14 Sec. 4. EFFECTIVE DATE

15 This act shall take effect on passage.