

## Article - Insurance

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§19-903.

(a) Notwithstanding any other provision of law and except as otherwise provided in this section, an insurer may not terminate or otherwise change the terms and conditions of a policy of portable electronics insurance unless the insurer provides the policyholder and covered customers with at least 60 days' notice.

(b) If the insurer changes the terms and conditions of a policy of portable electronics insurance in accordance with subsection (a) of this section, the insurer shall:

(1) provide the policyholder with a revised policy or endorsement; and

(2) provide each covered customer with:

(i) a revised certificate, endorsement, updated brochure, or other evidence that indicates that a change in the terms and conditions of the policy has occurred; and

(ii) a summary of material changes.

(c) An insurer may terminate coverage of a covered customer under a policy of portable electronics insurance:

(1) after 45 days' notice for discovery of fraud or material misrepresentation in obtaining coverage or in the presentation of a claim under the policy; or

(2) after 10 days' notice for nonpayment of premium.

(d) (1) An insurer may automatically terminate coverage of a covered customer under a policy of portable electronics insurance:

(i) if the covered customer ceases to have active service related to the use of portable electronics with the vendor; or

(ii) if:

1. the covered customer exhausts the aggregate limit of liability, if any, under the terms of the policy of portable electronics insurance; and

2. the insurer sends notice of termination to the covered customer within 15 business days after exhaustion of the limit, subject to paragraph (2) of this subsection.

(2) If the insurer does not send timely notice in accordance with paragraph (1)(ii) of this subsection, coverage shall continue under the policy of portable electronics insurance notwithstanding the aggregate limit of liability until the insurer sends notice of termination to the covered customer.

(e) Notwithstanding subsection (d)(1)(ii) of this section, on request of a covered customer, the covered customer shall be eligible for reinstatement of coverage not more than 12 months after the date of exhaustion of the coverage limit in accordance with the terms of the policy and subject to the enrollment criteria then applicable to prospective customers generally.

(f) If a vendor terminates a policy of portable electronics insurance, the vendor shall mail or deliver, at least 45 days before termination, written notice to each covered customer that advises the covered customer of the termination of the policy and the effective date of termination.

(g) (1) An insurer is not required to give notice of termination to a covered customer if the insurer has been advised by either the vendor or another insurer that substantially similar coverage under a policy of portable electronics insurance has been obtained from another insurer without lapse of coverage.

(2) A vendor is not required to give notice of termination to a covered customer if substantially similar coverage under a policy of portable electronics insurance has been obtained from another insurer without lapse of coverage.

(h) (1) Whenever notice is required in accordance with this section, the notice shall be in writing and sent by mail or electronic means as specified in this subsection.

(2) (i) Unless notice by electronic means is authorized under paragraph (3) or (4) of this subsection, notice under this section shall be provided by a first-class mail tracking method in accordance with subparagraphs (ii) and (iii) of this paragraph.

(ii) Notice shall be mailed to the vendor at the vendor's last known mailing address on file with the insurer.

(iii) Notice shall be mailed to a covered customer at the covered customer's last known mailing address on file with the insurer or vendor.

(iv) The insurer or vendor responsible for mailing the notice under this section shall maintain proof of mailing.

(3) An insurer responsible for providing notice to a covered customer under this section may provide notice by electronic means if:

(i) the covered customer has provided an electronic mail address to the insurer or vendor to receive notices about coverage;

(ii) notice is sent to the electronic mail address provided by the

covered customer; and

(iii) the insurer or vendor maintains proof that the notice was sent to the covered customer at the covered customer's electronic mail address.

(4) An insurer responsible for providing notice to a vendor under this section may provide notice by electronic means if:

(i) the vendor has provided an electronic mail address to the insurer at which the vendor consents to receive notices about the policy;

(ii) notice is sent to the electronic mail address provided by the vendor; and

(iii) the insurer maintains proof that the notice was sent to the vendor at the vendor's electronic mail address.

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