

ASURION TESTIMONY ON SB 222 (ENVIRONMENT-REDUCING PACKAGING MATERIALS – PRODUCER RESPONSIBILITY)

POSITION: OPPOSED UNLESS AMENDED

Asurion provides tech protection plans (insurance and service contracts) for smartphones, tablets, consumer electronics and other tech products in Maryland and throughout the country. When a consumer loses or damages a covered device and makes a claim under the consumer's insurance policy or service contract with Asurion, Asurion fulfills the claim by shipping a replacement device to the consumer. Asurion is regulated under the Insurance Article for its insurance policies and under the Commercial Law Article for its service contracts. In addition to its tech protection plans, Asurion has 700+ repair outlets (including locations in Maryland) where consumers can go to have their device repaired or recycled. Asurion is proud of the impact it is having on reducing e-waste by delivering device repair and recycling at scale, as well as the reductions in packaging waste that it has achieved on a voluntary basis.

While this may not be the Sponsors' intent, as introduced, SB222/HB284 appears to apply to packaging materials used in the fulfillment of insurance claims because the term "packaging materials" includes packaging not just of products sold or offered for sale in the state, but also products that are only distributed in the State. When a consumer has a covered claim, Asurion ships a replacement device to the consumer in fulfillment of the claim. It is not selling the device to the consumer; it is fulfilling an insurance or service contract claim. Consumers pay a fixed amount of premium to Asurion up front to purchase the insurance or service contract, so claim fulfillment represents an expense against the fixed premium collected. Asurion respectfully submits that this bill should not apply to packaging associated with the fulfillment of an insurance claim or a claim under a service contract, and requests the following amendment to the bill (page 11, lines 27, 31, and insert after line 31):

(3) "PACKAGING MATERIALS" DOES NOT INCLUDE:

(I) ANY PART OF A PACKAGE OR CONTAINER THAT IS SOLD OR SUPPLIED IN CONNECTION WITH:

1. A PESTICIDE PRODUCT REGULATED BY THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT UNDER 7 U.S.C. 136 ET SEQ. OR ANY OTHER APPLICABLE FEDERAL LAW, RULE OR REGULATION;

2. A FEDERALLY REGULATED DRUG, MEDICAL DEVIDE, BIOLOGIC OR DIAGNOSTIC, OR DIETARY SUPPLEMENT INCLUDING ITEMS INTENDED FOR ANIMALS; *[OR]*

3. A MEDICAL PRODUCT THAT IS REQUIRED TO BE STERILE OR ENCLOSED IN PACKAGING WITH TAMPER-RESISTANT SEALS TO PROTECT PUBLIC HEALTH, INCLUDING MEDICAL PRODUCTS INTENDED FOR ANIMALS [.]; OR

4. THE FULFILLMENT OF A CLAIM UNDER AN INSURANCE POLICY OR CERTIFICATE ISSUED UNDER AN INSURANCE POLICY REGULATED UNDER THE INSURANCE ARTICLE OR UNDER A SERVICE CONTRACT REGULATED UNDER THE MARYLAND SERVICE CONTRACT AND CONSUMER PRODUCTS GUARANTY ACT, SUBTITLE 4 OF TITLE 14 OF THE COMMERCIAL LAW ARTICLE.

For additional information, contact Marta Harting at mdharting@venable.com.