

HOUSE BILL 1093

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CF SB 861

By: **Delegates Love and Jameson**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2012

CHAPTER _____

1 AN ACT concerning

2 **Portable Electronics Insurance**

3 FOR the purpose of repealing a certain limitation on the authority of a vendor of
4 portable electronics insurance to sell coverage under a policy of portable
5 electronics insurance; altering the circumstances under which a vendor that
6 collects premiums for portable electronics insurance need not keep the
7 premiums in a segregated account; providing an exception under certain
8 circumstances to a certain requirement to itemize premiums and charges and
9 requiring a vendor to provide certain notice to a customer relating to those
10 circumstances; ~~authorizing an employee or authorized representative of a~~
11 ~~vendor to receive certain compensation under certain circumstances;~~ altering
12 certain information that must be submitted to the Maryland Insurance
13 Commissioner in an application for a limited lines license to sell portable
14 electronics insurance; requiring an applicant to provide certain information
15 about certain individuals under certain circumstances; requiring a certain
16 supervising entity to maintain a certain registry; requiring the registry to be
17 open for inspection and examination after a certain period of time under certain
18 circumstances; clarifying that, if a customer cancels coverage, any unearned
19 premiums will be refunded to the person paying the premium; providing for a
20 certain supplemental education program under certain circumstances;
21 ~~authorizing the Commissioner to impose a certain penalty under certain~~
22 ~~circumstances;~~ altering the methods by which certain required notice may be
23 sent to covered customers and vendors under certain circumstances; defining
24 certain terms; altering a certain definition; providing for the application of this
25 Act; and generally relating to portable electronics insurance.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
 2 Article – Insurance
 3 Section 10–130 and 10–707
 4 Annotated Code of Maryland
 5 (2011 Replacement Volume)

6 BY repealing and reenacting, with amendments,
 7 Article – Insurance
 8 Section 10–701, 10–703 through ~~10–707~~ 10–706, and 19–903
 9 Annotated Code of Maryland
 10 (2011 Replacement Volume)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Insurance**

14 10–130.

15 (a) Except as otherwise provided in §§ 10–102 and 10–119 of this subtitle, a
 16 commission, fee, reward, rebate, or other consideration for selling, soliciting, or
 17 negotiating insurance may not be paid, directly or indirectly, to a person other than a
 18 licensed insurance producer.

19 (b) Except as otherwise provided in this article, for life insurance or health
 20 insurance this section does not prohibit payment to or receipt by a person who
 21 formerly held a license and, if the person acted on behalf of an insurer, an
 22 appointment of:

23 (1) commissions on renewal premiums on existing policies; or

24 (2) other deferred commissions.

25 (c) Unless the payment would violate § 27–209 or § 27–212 of this article, an
 26 insurer or insurance producer may pay or assign commissions, service fees, or other
 27 valuable consideration to an insurance agency or to persons who do not sell, solicit, or
 28 negotiate insurance in the State.

29 10–701.

30 (a) In this subtitle the following words have the meanings indicated.

31 (b) “Covered customer” means a customer who elects to purchase coverage
 32 under a policy of portable electronics insurance issued to a vendor.

1 (c) "Customer" means a person who purchases or leases portable electronics
2 or purchases service related to the use of portable electronics.

3 (D) "LOCATION" MEANS:

4 (1) A PHYSICAL LOCATION IN THE STATE; OR

5 (2) A WEB SITE, CALL CENTER SITE, OR SIMILAR LOCATION
6 WHERE COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS INSURANCE IS
7 OFFERED OR SOLD TO RESIDENTS OF THE STATE.

8 [(d)] (E) (1) "Portable electronics" means:

9 (i) [handsets, pagers, personal digital assistants, portable
10 computers, cellular telephones, batteries, and other devices or accessories used to
11 originate or receive communications signals or services] AN ELECTRONIC DEVICE,
12 INCLUDING ITS ACCESSORIES, THAT:

13 1. IS EASILY OR CONVENIENTLY TRANSPORTED BY
14 HAND BY AN INDIVIDUAL; AND

15 2. IS USED FOR COMMUNICATION, VIEWING,
16 LISTENING, RECORDING, GAMING, COMPUTING, OR GLOBAL POSITIONING; and

17 (ii) any other electronic device that is portable in nature that
18 the Commissioner approves.

19 (2) "PORTABLE ELECTRONICS" INCLUDES:

20 (I) CELLULAR OR SATELLITE PHONES;

21 (II) PAGERS;

22 (III) PERSONAL GLOBAL POSITIONING SATELLITE UNITS;

23 (IV) PORTABLE COMPUTERS;

24 (V) PORTABLE AUDIO LISTENING, VIDEO VIEWING, OR
25 RECORDING DEVICES;

26 (VI) DIGITAL CAMERAS;

27 (VII) VIDEO CAMCORDERS;

28 (VIII) PORTABLE GAMING SYSTEMS;

1 **(IX) DOCKING STATIONS; AND**

2 **(X) AUTOMATIC ANSWERING DEVICES.**

3 **[(2)] (3)** “Portable electronics” does not include telecommunications
4 switching equipment, transmission wires, cell site transceiver equipment, or other
5 equipment and systems used by telecommunications companies to provide
6 telecommunications service to consumers.

7 **[(e)] (F)** (1) “Portable electronics insurance” means insurance that
8 provides coverage for the repair or replacement of portable electronics, including
9 coverage against one or more of the following causes of loss:

10 (i) loss by disappearance;

11 (ii) theft;

12 (iii) mechanical failure;

13 (iv) malfunction;

14 (v) damage; and

15 (vi) any other applicable peril, as approved by the
16 Commissioner.

17 (2) “Portable electronics insurance” does not include:

18 (i) a service contract governed by Title 14, Subtitle 4 of the
19 Commercial Law Article that does not include coverage for loss by disappearance or
20 theft;

21 (ii) a policy of insurance covering a seller’s or a manufacturer’s
22 obligations under a warranty; or

23 (iii) a homeowner’s, renter’s, private passenger automobile, or
24 similar policy that covers loss or theft of portable electronics.

25 **[(f)] (G)** “Portable electronics transaction” means:

26 (1) the sale or lease of portable electronics by a vendor to a customer;
27 or

28 (2) the sale of service related to the use of portable electronics by a
29 vendor to a customer.

1 **(H) “SUPERVISING ENTITY” MEANS A BUSINESS ENTITY THAT IS:**

2 **(1) AN AUTHORIZED INSURER; OR**

3 **(2) A LICENSED INSURANCE PRODUCER THAT IS APPOINTED BY**
4 **AN INSURER TO SUPERVISE THE ADMINISTRATION OF A PORTABLE**
5 **ELECTRONICS INSURANCE PROGRAM.**

6 **[(g)] (I)** “Vendor” means a person in the business of leasing, selling, or
7 providing portable electronics, or selling or providing service related to the use of
8 portable electronics, to customers in the State.

9 10–703.

10 (a) A vendor shall hold a limited lines license to sell coverage under a policy
11 of portable electronics insurance [in connection with, and incidental to, a portable
12 electronics transaction with a customer] before the vendor or the employees of or
13 authorized representatives of the vendor may sell or offer to sell coverage under a
14 policy of portable electronics insurance to a customer.

15 (b) A limited lines license issued under this subtitle shall also authorize any
16 salaried or hourly employee or authorized representative of the vendor to sell coverage
17 under a policy of portable electronics insurance to a customer [in connection with, and
18 incidental to, a portable electronics transaction] only if the employee or authorized
19 representative is:

20 (1) trained under § 10–705 of this subtitle to act on behalf of the
21 vendor; and

22 (2) acting under the supervision of the vendor.

23 (c) The acts of an employee or authorized representative offering to sell or
24 selling coverage under a policy of portable electronics insurance shall be deemed the
25 acts of the vendor for the purposes of this subtitle.

26 (d) (1) A vendor may bill and collect premiums from covered customers for
27 coverage under a policy of portable electronics insurance.

28 (2) A vendor that bills and collects premiums under this section is not
29 required to maintain the premiums collected in a segregated account if:

30 (i) the vendor’s appointing insurer agrees in writing that
31 segregation of funds is not required; [and]

1 (ii) the vendor remits the funds collected to the appointing
 2 insurer or that insurer's appointed insurance producer within 60 days after receipt;
 3 **AND**

4 **(III) THE FUNDS RECEIVED BY THE VENDOR FROM A**
 5 **COVERED CUSTOMER FOR THE SALE OF PORTABLE ELECTRONICS INSURANCE**
 6 **ARE HELD IN TRUST BY THE VENDOR IN A FIDUCIARY CAPACITY FOR THE**
 7 **BENEFIT OF THE VENDOR'S APPOINTING INSURER.**

8 (3) (I) ~~[The]~~ **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
 9 **THIS PARAGRAPH, THE** premiums for coverage under a policy of portable electronics
 10 insurance shall be separately itemized from the charges for the purchase or lease of
 11 the portable electronics.

12 **(II) IF PORTABLE ELECTRONICS INSURANCE COVERAGE IS**
 13 **INCLUDED IN THE PRICE OF THE PURCHASE OR LEASE OF PORTABLE**
 14 **ELECTRONICS OR RELATED SERVICES, THE VENDOR SHALL PROVIDE CLEAR**
 15 **AND CONSPICUOUS WRITTEN NOTICE TO THE CUSTOMER THAT THE PORTABLE**
 16 **ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE PORTABLE**
 17 **ELECTRONICS OR RELATED SERVICES.**

18 (e) (1) ~~Except as provided in paragraph (2) of this subsection, a vendor~~
 19 ~~and the employees or authorized representatives of the vendor may not receive~~
 20 ~~compensation for the sale of coverage under a policy of portable electronics insurance.~~

21 ~~(2)~~ ~~(I)~~ A vendor may receive compensation for billing and collection
 22 services under a policy of portable electronics insurance.

23 ~~(II) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A~~
 24 ~~VENDOR MAY RECEIVE COMPENSATION FOR ACTIVITIES IN CONNECTION WITH~~
 25 ~~THE SALE OF PORTABLE ELECTRONICS INSURANCE IF THE COMPENSATION:~~

26 ~~1. IS INCIDENTAL TO THE EMPLOYEE'S OR~~
 27 ~~AUTHORIZED REPRESENTATIVE'S OVERALL COMPENSATION; AND~~

28 ~~2. DOES NOT EXCEED \$10 FOR EACH CUSTOMER~~
 29 ~~WHO PURCHASES PORTABLE ELECTRONICS INSURANCE.~~

30 ~~(3) (2) Nothing in this subsection shall affect the ability of a~~ **A** vendor or
 31 an authorized representative of the vendor ~~to~~ **MAY** compensate the employees of the
 32 vendor or of the authorized representative in a manner that does not depend on the
 33 sale of portable electronics insurance.

1 (a) The Commissioner shall issue to a vendor a limited lines license
2 authorizing the vendor to sell or offer to sell coverage under a policy of portable
3 electronics insurance to a customer [in connection with, and incidental to, a portable
4 electronics transaction] if the vendor:

5 (1) meets the requirements of § 10-705 of this subtitle;

6 (2) pays the fees for insurance producers required under § 2-112 of
7 this article that are applicable to an insurance producer license; and

8 (3) submits to the Commissioner [any additional information or
9 documentation that the Commissioner requires, including any information or
10 documentation needed to determine the professional competence, good character, and
11 trustworthiness of the vendor] **A SWORN APPLICATION FOR A LIMITED LINES
12 LICENSE UNDER THIS SUBTITLE ON THE FORM REQUIRED BY THE
13 COMMISSIONER.**

14 **(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A VENDOR
15 SHALL PROVIDE THE NAME, RESIDENCE ADDRESS, AND ANY OTHER
16 INFORMATION REQUIRED BY THE COMMISSIONER FOR AN OFFICER OR
17 EMPLOYEE OF THE VENDOR WHO IS DESIGNATED BY THE VENDOR AS THE
18 PERSON RESPONSIBLE FOR THE VENDOR'S COMPLIANCE WITH THE
19 REQUIREMENTS OF THIS SUBTITLE.**

20 **(2) IF THE VENDOR DERIVED MORE THE 25% OF ITS TOTAL
21 REVENUE IN THE PRECEDING YEAR FROM THE SALE OF PORTABLE
22 ELECTRONICS INSURANCE, THE VENDOR SHALL PROVIDE THE INFORMATION
23 REQUIRED IN PARAGRAPH (1) OF THIS SUBSECTION FOR ALL OFFICERS,
24 DIRECTORS, AND SHAREHOLDERS OF RECORD UNDER THE FEDERAL
25 SECURITIES LAW.**

26 **(C) (1) THE SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF
27 ALL VENDOR LOCATIONS THAT ARE AUTHORIZED TO SELL OR OFFER PORTABLE
28 ELECTRONICS INSURANCE COVERAGE IN THE STATE.**

29 **(2) ON REQUEST BY THE COMMISSIONER, THE REGISTRY SHALL
30 BE OPEN TO INSPECTION AND EXAMINATION NO LATER THAN 10 DAYS AFTER
31 THE REQUEST.**

32 **[(b)] (D)** A limited lines license under this subtitle is subject to the same
33 term and renewal conditions that are specified for an insurance producer license under
34 § 10-115 of this title.

35 10-705.

1 (a) A limited lines license to **OFFER OR** sell coverage under a policy of
2 portable electronics insurance to a customer issued under this subtitle authorizes a
3 vendor or an authorized representative of the vendor to sell coverage under a policy of
4 portable electronics insurance to customers [in connection with, and incidental to, a
5 portable electronics transaction] at each location at which the vendor engages in
6 portable electronics transactions in the State if:

7 (1) the portable electronics insurance policies have been filed with and
8 approved by the Commissioner;

9 (2) the vendor holds an appointment under § 10–118 of this title with
10 each authorized insurer that the vendor intends to represent;

11 (3) at each location where coverage under a policy of portable
12 electronics insurance is offered or sold to customers, the vendor provides to the
13 customers disclosures approved by the Commissioner that:

14 (i) summarize the material terms of the coverage under the
15 policy of portable electronics insurance including:

16 1. the identity of the insurer;

17 2. the premium to be paid;

18 3. any applicable deductible;

19 4. the major features of the benefits of the coverage; and

20 5. the major features of any exclusions, conditions, or
21 other limitations of coverage including whether the portable electronics may be
22 repaired or replaced with similar make and model reconditioned or nonoriginal
23 manufacturer parts or equipment;

24 (ii) 1. state that portable electronics insurance may
25 duplicate insurance coverage already provided by a customer's homeowner's insurance
26 policy, renter's insurance policy, or other source of insurance coverage; and

27 2. state that the purchase of coverage under a policy of
28 portable electronics insurance would make this coverage primary to any other
29 coverage, including duplicate coverage;

30 (iii) state that the purchase of coverage under a policy of
31 portable electronics insurance is not required in order to enter into the portable
32 electronics transaction;

1 (iv) describe the process for filing a claim if the customer elects
2 to purchase coverage under a policy of portable electronics insurance including a
3 description of:

- 4 1. any requirement to pay a deductible;
- 5 2. any requirement to return portable electronics;
- 6 3. the maximum fee applicable if the customer fails to
7 comply with a return requirement; and
- 8 4. any requirement to file a proof of loss;

9 (v) state that:

- 10 1. the customer may cancel coverage under the portable
11 electronics insurance at any time; and
- 12 2. if the customer cancels coverage under the portable
13 electronics insurance, any unearned premium will be refunded **TO THE PERSON**
14 **PAYING THE PREMIUM** in accordance with applicable law; and

15 (vi) provide the toll-free consumer hotline telephone number of
16 the Administration; and

17 (4) the vendor provides a training program, approved by the
18 Commissioner, for any employee or authorized representative who sells coverage
19 under a policy of portable electronics insurance to customers under this subtitle that
20 includes instruction:

21 (i) about the portable electronics insurance offered to customers
22 of the vendor;

23 (ii) that the employee or authorized representative may not
24 represent or imply to a customer that purchase of coverage under a policy of portable
25 electronics insurance is required in order to purchase portable electronics;

26 (iii) that portable electronics insurance may duplicate insurance
27 coverage already provided by a customer's homeowner's insurance policy, renter's
28 insurance policy, or other source of insurance coverage; and

29 (iv) about the other disclosures required by item (3) of this
30 subsection.

31 (b) **(1)** The training required under subsection (a)(4) of this section may be
32 provided in electronic form.

1 **(2) IF TRAINING IS CONDUCTED IN ELECTRONIC FORM, THE**
2 **SUPERVISING ENTITY SHALL IMPLEMENT A SUPPLEMENTAL EDUCATION**
3 **PROGRAM ABOUT THE PORTABLE ELECTRONICS INSURANCE PRODUCT THAT IS**
4 **CONDUCTED AND OVERSEEN BY LICENSED INSURANCE PRODUCERS EMPLOYED**
5 **BY THE SUPERVISING ENTITY.**

6 10-706.

7 Coverage under a policy of portable electronics insurance sold [in connection
8 with a portable electronics transaction] under this subtitle is primary to any other
9 valid and collectible coverage.

10 10-707.

11 (a) The Commissioner may suspend, revoke, or refuse to renew a limited
12 lines license issued under this subtitle after notice and opportunity for a hearing
13 under Title 2, Subtitle 2 of this article if the vendor or an employee or authorized
14 representative of the vendor has:

15 (1) willfully violated this article or another law of the State that
16 relates to insurance;

17 (2) operated without a limited lines license as required under this
18 subtitle;

19 (3) failed to provide the disclosures required under § 10-705 of this
20 subtitle;

21 (4) offered or sold unapproved insurance products;

22 (5) failed to hold an appointment with an insurer;

23 (6) failed to train employees or authorized representatives as required
24 under § 10-705 of this subtitle; or

25 (7) misrepresented pertinent facts or policy provisions concerning a
26 policy of portable electronics insurance.

27 (b) A vendor and the employees and authorized representatives of the vendor
28 may not advertise, represent, or otherwise hold themselves out as an authorized
29 insurer or as an insurance producer for any kind or subdivision of insurance, except as
30 provided in this subtitle.

31 (c) Instead of, or in addition to, suspending or revoking a limited lines
license issued under this subtitle, the Commissioner may:

1 (1) ~~EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,~~
2 impose on the vendor a penalty of not more than \$2,500 for each violation of this
3 subtitle; and

4 (2) require that restitution be made to any person who has suffered
5 financial injury because of a violation of this subtitle.

6 ~~(D) IF A SERIES OF THE SAME VIOLATIONS OCCUR THAT ARE NEAR IN~~
7 ~~TIME AND ARISE FROM THE SAME SOURCE, THE COMMISSIONER MAY IMPOSE A~~
8 ~~PENALTY OF NOT MORE THAN \$50,000 FOR THE SERIES OF VIOLATIONS.~~

9 19-903.

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

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

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

18 (2) provide each covered customer with:

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

22 (ii) a summary of material changes.

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

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

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

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

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

1 (ii) if:

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

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

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

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

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

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

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

27 (h) (1) Whenever notice is required in accordance with this section, the
28 notice shall be in writing and sent by [certificate of mail to the vendor at the vendor's
29 mailing address and its affected customers' last known mailing addresses on file with
30 the insurer] **MAIL OR ELECTRONIC MEANS AS SPECIFIED IN THIS SUBSECTION.**

31 **(2) (I) UNLESS NOTICE BY ELECTRONIC MEANS IS**
32 **AUTHORIZED UNDER PARAGRAPH (3) OR (4) OF THIS SUBSECTION, NOTICE**
33 **UNDER THIS SECTION SHALL BE PROVIDED BY MAIL IN ACCORDANCE WITH**
34 **SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH.**

35 **(II) NOTICE SHALL BE MAILED TO THE VENDOR AT THE**
36 **VENDOR'S LAST KNOWN MAILING ADDRESS ON FILE WITH THE INSURER.**

1 **(III) NOTICE SHALL BE MAILED TO A COVERED CUSTOMER**
2 **AT THE COVERED CUSTOMER'S LAST KNOWN MAILING ADDRESS ON FILE WITH**
3 **THE INSURER OR VENDOR.**

4 **(IV) THE INSURER OR VENDOR RESPONSIBLE FOR MAILING**
5 **THE NOTICE UNDER THIS SECTION SHALL MAINTAIN PROOF OF MAILING.**

6 **(3) AN INSURER RESPONSIBLE FOR PROVIDING NOTICE TO A**
7 **COVERED CUSTOMER UNDER THIS SECTION MAY PROVIDE NOTICE BY**
8 **ELECTRONIC MEANS IF:**

9 **(I) THE COVERED CUSTOMER HAS PROVIDED AN**
10 **ELECTRONIC MAIL ADDRESS TO THE INSURER OR VENDOR TO RECEIVE NOTICES**
11 **ABOUT COVERAGE;**

12 **(II) NOTICE IS SENT TO THE ELECTRONIC MAIL ADDRESS**
13 **PROVIDED BY THE COVERED CUSTOMER; AND**

14 **(III) THE INSURER OR VENDOR MAINTAINS PROOF THAT THE**
15 **NOTICE WAS SENT TO THE COVERED CUSTOMER AT THE COVERED CUSTOMER'S**
16 **ELECTRONIC MAIL ADDRESS.**

17 **(4) AN INSURER RESPONSIBLE FOR PROVIDING NOTICE TO A**
18 **VENDOR UNDER THIS SECTION MAY PROVIDE NOTICE BY ELECTRONIC MEANS**
19 **IF:**

20 **(I) THE VENDOR HAS PROVIDED AN ELECTRONIC MAIL**
21 **ADDRESS TO THE INSURER AT WHICH THE VENDOR CONSENTS TO RECEIVE**
22 **NOTICES ABOUT THE POLICY;**

23 **(II) NOTICE IS SENT TO THE ELECTRONIC MAIL ADDRESS**
24 **PROVIDED BY THE VENDOR; AND**

25 **(III) THE INSURER MAINTAINS PROOF THAT THE NOTICE WAS**
26 **SENT TO THE VENDOR AT THE VENDOR'S ELECTRONIC MAIL ADDRESS.**

27 **[(2) The insurer or vendor, as the case may be, shall maintain proof of**
28 **mailing in a form authorized or accepted by the United States Postal Service.]**

29 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all**
30 **policies of portable electronics insurance issued, delivered, or renewed in the State on**
31 **or after October 1, 2012.**

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.