

HOUSE BILL 1011

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3lr2097
CF SB 682

By: **Delegates Jameson and Love**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Portable Electronics Insurance – Compensation of Employees of Vendor –**
3 **Disclosures to Customers**

4 FOR the purpose of providing that a vendor of portable electronics insurance or an
5 authorized representative of the vendor may compensate employees of the
6 vendor or an authorized representative in a certain manner; altering the
7 content of certain disclosures that a vendor of portable electronics insurance
8 must provide to customers under certain circumstances; and generally relating
9 to portable electronics insurance.

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 10–703(e) and 10–705(a)
13 Annotated Code of Maryland
14 (2011 Replacement Volume and 2012 Supplement)

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

17 **Article – Insurance**

18 10–703.

19 (e) (1) A vendor may receive compensation for billing and collection
20 services under a policy of portable electronics insurance.

21 (2) A vendor or an authorized representative of the vendor may
22 compensate the employees of the vendor or of the authorized representative in a
23 manner that does not depend **SOLELY** on the sale of portable electronics insurance.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10–705.

2 (a) A limited lines license to offer or sell coverage under a policy of portable
3 electronics insurance to a customer issued under this subtitle authorizes a vendor or
4 an authorized representative of the vendor to sell coverage under a policy of portable
5 electronics insurance to customers 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] **KEY TERMS AND CONDITIONS** of coverage including whether the
22 portable electronics may be repaired or replaced with similar make and model
23 reconditioned or nonoriginal 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 paying
14 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 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2013.