

# SENATE BILL 682

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By: **Senators Klausmeier and Middleton**

Introduced and read first time: February 1, 2013

Assigned to: Finance

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## 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.

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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.