

## ASURION

### Proposed Amendment to HB 1049/SB 1040 (Consumer Protection – Automatic Renewals)

On page 2, in line 14, after “TERM” insert “OF MORE THAN THIRTY DAYS”.

#### *Rationale:*

*Asurion provides insurance and service contracts covering smartphones and other portable electronic devices. When a consumer loses or damages a covered device and makes a claim under the policy, Asurion fulfills the claim by sending a replacement device to consumer. Asurion coverage automatically renews month to month, and is easily cancellable effective immediately at any time.*

*No state that has enacted an auto-renewal law has applied the law to Asurion’s month-to-month coverage. The proposed amendment would exempt month-to-month contracts from the Maryland legislation, consistent with the other state laws. For example, in Virginia, “automatic renewal” means a plan or arrangement in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term of more than one month.” Va Code § 59.1-207.45. In Delaware, the law applies to a “seller that sells or leases any merchandise to a consumer under a contract that is renewed for a specified period of more than 1 month if the renewal causes the contract to be in effect more than 12 months after the day of the initiation of the contract....” Del. Code tit. 6 § 2734. (Pennsylvania and New Jersey have auto-renew laws, but limited to health club memberships).*