

Bill Summary

COMMITTEE: Banking and Insurance

DATE: 6/15/12

PRIME SPONSOR: Quinn

BILL NO: HB2135

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PRINTER'S NO: 3603

A. Synopsis:

HB2135 is entitled "The Portable Electronics Insurance Act."

B. Summary:

Under HB2135, a vendor is required to hold a limited lines insurance producer license to sell, solicit, or negotiate coverage under a policy of portable electronics insurance. A limited lines license issued under this act applies to employees of the vendor where electronic transactions are made and to receive compensation for these activities. The vendor is required to maintain a list of locations in PA where it offers coverage, and provide a list to the Department.

Requirements for the sale of portable electronics insurance are detailed:

- Written materials must be available that indicate possible duplication of coverage, state enrollment is not required, summarize the material terms of coverage, summarize the process for filing a claim, and state cancellation is available at any time.
- Insurance may be offered on a periodic basis as a group or master commercial inland marine policy issued to a vendor of portable electronics for its controlled customers.
- Eligibility and underwriting standards are included.

HB2135 states vendors and their employees may sell or offer portable electronics insurance to customers and shall not be subject to licensure provided that the provider obtains a limited lines license. Also, the insurer must supervise the administration of the program, and no vendor may represent himself as an insurer. Charges may be billed through the vendor.

An insurer may terminate enrollment under a policy if fraud is involved, if the customer has an inactive service, if a customer exhausts the annual aggregate limit of liability under the terms of the policy, or where a policy is terminated by a policyholder. Notices must be in writing and mailed to the vendor and customer.

Applications and renewals of licenses shall be in accordance with the Insurance Department Act of 1921.

The act will take effect in 120 days.