HOUSE RESEARCH

Bill Summary

FILE NUMBER:	H.F. 2638	**DATE:**	March 12, 2012
Version:	As introduced		

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Subject: Portable electronics insurance

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Overview

This bill fine tunes legislation enacted in the past two years regulating insurance on portable electronic devices. This is insurance coverage that is typically offered in the store or online when a person buys a portable electronics product, such as a cell phone or other portable electronic device. An insurance claim for loss or damage to the item usually results in sending the customer a new one. This type of insurance is regulated by the Department of Commerce. A license to sell this type of insurance is called a "limited lines license."

1   **Sale of portable electronics insurance.**

> **Subd. 1. Definitions.** Clarifies the definition of "supervising agency," including changing the term's name to "supervising entity."

> **Subd. 2. Licensure of vendors.** Specifies the information required to be on an application for a limited lines license to sell portable electronics insurance.

> **Subd. 3. Requirements for sale of portable electronics insurance.** Makes three technical changes.

> **Subd. 4. Authority of vendors of portable electronics.** Makes changes relating to insurance sales training of employees of portable electronics vendors, including eliminating a requirement for in-person training, presumably to permit online training. Also specifies that the seller of this type of insurance must clearly and separately disclose the presence of the coverage and its cost, and offer the customer the option of declining the insurance. The new paragraph (c) deals with the matter of how the vendor, customer, and insurance company may contact each other after the item is purchased.