

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill Nos. 317 &  
2 319, Page 8, Section 379.012, Line 48, by inserting after all of said section and line, the following:

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4 "379.1510. 1. A vendor shall have the obligation to ensure that every location that is  
5 authorized to sell, solicit, or negotiate portable electronics insurance to customers shall have specific  
6 brochures [and actual policies or certificates of coverage] available to prospective customers which:

7 (1) Disclose that portable electronics insurance may provide a duplication of coverage  
8 already provided by a customer's homeowner's, renter's, or other source of coverage[, and that the  
9 portable electronics insurance coverage is primary over any other collateral coverage];

10 (2) State that the enrollment by the customer in a portable electronics insurance program is  
11 not required in order to purchase or lease portable electronics or services;

12 (3) Summarize the material terms of the insurance coverage, including:

13 (a) The identity of the insurer;

14 (b) The identity of the supervising business entity;

15 (c) The amount of any applicable deductible and how it is to be paid;

16 (d) Benefits of the coverage; and

17 (e) Key terms and conditions of coverage, such as whether portable electronics may be  
18 repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or  
19 equipment;

20 (4) Summarize the process for filing a claim, including any requirement to return portable  
21 electronics and the maximum fee applicable in the event the customer fails to comply with any  
22 equipment return requirements; and

23 (5) State that the customer may cancel enrollment for coverage under a portable electronics  
24 insurance policy at any time and receive a refund of any unearned premium on a pro rata basis.

25 2. Eligibility and underwriting standards for customers electing to enroll in coverage shall be  
26 established for each portable electronics insurance program. Each insurer shall maintain all  
27 eligibility and underwriting records for a period of five years. Portable electronics insurance issued  
28 under sections 379.1500 to 379.1550 shall be deemed primary coverage over any other collateral  
29 coverage.

30 3. Insurers offering portable electronics insurance coverage through vendors shall appoint a  
31 supervising business entity to supervise the administration of the program. The supervising business  
32 entity shall be responsible for the development of a training program for employees and authorized

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1 representatives of a vendor, and shall include basic instruction about the portable electronics  
2 insurance offered to customers and the disclosures required under this section.

3 4. Insurers and applicable supervising business entities offering portable electronics  
4 insurance shall share all complaint, grievance, or inquiries regarding any conduct that is specific to a  
5 vendor and that may not comply with applicable state laws and regulations.

6 5. A supervising business entity shall maintain a registry of vendor locations which are  
7 authorized to sell or solicit portable electronics insurance coverage in this state. Upon request by the  
8 director and with ten days' notice to the supervising business entity, the registry shall be open to  
9 inspection and examination by the director during regular business hours of the supervising business  
10 entity.

11 6. Within thirty days of a supervising business entity terminating a vendor location's  
12 appointment to sell or solicit portable electronics insurance, the supervising business entity shall  
13 update the registry with the effective date of termination. If a supervising business entity has  
14 possession of information relating to any cause for discipline under section 375.141, the supervising  
15 business entity shall notify the director of such information in writing. The privileges and  
16 immunities applicable to insurers under section 375.022 shall apply to supervising business entities  
17 for any information reported under this subsection.

18 7. The supervising business entity shall not charge a fee for adding or removing a vendor  
19 location from the registry.

20 8. No employee or authorized representative of a vendor shall advertise, represent, or  
21 otherwise hold himself or herself out as an insurance producer, unless such employee or authorized  
22 representative is otherwise licensed as an insurance producer.

23 9. The training required in subsection 3 of this section shall be delivered to all employees  
24 and authorized representatives of the vendors who are directly engaged in the activity of selling  
25 portable electronics insurance in this state. The training may be provided in electronic form.  
26 However, if conducted in an electronic form, the supervising business entity shall implement a  
27 supplemental education program regarding the portable electronics insurance product that is  
28 conducted and overseen by licensed employees of the supervising business entity.

29 10. The charges for portable electronics insurance coverage may be billed and collected by  
30 the vendor. Any charge to the customer that is not included in the cost associated with the purchase  
31 or lease of portable electronics or related services shall be separately itemized on the customer's bill.  
32 If the portable electronics insurance is included in the purchase or lease of portable electronics or  
33 related services, the vendor shall clearly and conspicuously disclose to the customer that the portable  
34 electronics insurance coverage is included with the portable electronics or related services. Vendors  
35 billing and collecting such charges shall not be required to maintain such funds in a segregated  
36 account, provided that the insurer authorized the vendor to hold such funds in an alternative manner  
37 and remits such amounts to the supervising business entity within forty-five days of receipt. All  
38 funds received by a vendor from a customer for the sale of portable electronics insurance shall be  
39 considered funds held in trust by the vendor in a fiduciary capacity for the benefit of the insurer.  
40 Vendors shall maintain all records related to the purchase of portable electronics insurance for a  
41 period of three years from the date of purchase.

1           Section B. Because of the need to provide efficient notice to customers regarding primary  
2 insurance coverage for portable electronics, the repeal and reenactment of section 379.1510 of this  
3 act is deemed necessary for the immediate preservation of the public health, welfare, peace, and  
4 safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the  
5 repeal and reenactment of section 379.1510 of this act shall be in full force and effect upon its  
6 passage and approval."; and  
7  
8 Further amend said bill by amending the title, enacting clause, and intersectional references  
9 accordingly.