

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 306

Introduced by Lindstrom, 18.

Read first time January 12, 2017

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Portable Electronics Insurance Act; to
- 2 amend sections 44-8502 and 44-8508, Revised Statutes Cumulative
- 3 Supplement, 2016; to redefine a term; to change provisions relating
- 4 to notice requirements; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-8502, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 44-8502 For purposes of the Portable Electronics Insurance Act:

4 (1) Customer means a person who purchases portable electronics;

5 (2) Covered customer means a customer who elects coverage pursuant
6 to a portable electronics insurance policy issued to a vendor of portable
7 electronics;

8 (3) Director means the Director of Insurance;

9 (4) Location means any physical location in this state or any web
10 site, call center, or other site or similar location to which Nebraska
11 customers may be directed;

12 (5) Portable electronics means any nonstationary electronic
13 equipment and its accessories capable of communications or data
14 processing or utility including, but not limited to, a laptop, a tablet,
15 a wearable computer, a personal communications device such as a cellular
16 or mobile telephone, a hand-held smart phone, a media player, an e-
17 reader, a personal digital assistant, devices used for data collection,
18 global positioning, or monitoring, and other devices that may or may not
19 incorporate wireless transmitters and receivers ~~a device that is~~
20 ~~personal, self-contained, easily carried by an individual, and battery-~~
21 ~~operated and includes devices used for electronic communication, viewing,~~
22 ~~listening, recording, computing, or global positioning.~~ Portable
23 electronics does not include telecommunications switching equipment,
24 transmission wires, cellular site transceiver equipment, or other
25 equipment or system used by a telecommunications company to provide
26 telecommunications service to consumers;

27 (6)(a) Portable electronics insurance means insurance that provides
28 coverage for the repair or replacement of portable electronics and may
29 provide coverage for portable electronics that are lost, stolen, damaged,
30 or inoperable due to mechanical failure or malfunction or suffer other
31 similar causes of loss; and

1 (b) Portable electronics insurance does not include:

2 (i) A service contract under the Motor Vehicle Service Contract
3 Reimbursement Insurance Act;

4 (ii) A service contract or extended warranty providing coverage as
5 described in subdivision (2) of section 44-102.01;

6 (iii) A policy of insurance providing coverage for a seller's or
7 manufacturer's obligations under a warranty; or

8 (iv) A homeowner's, renter's, private passenger automobile,
9 commercial multiperil, or other similar policy;

10 (7) Portable electronics transaction means the sale or lease of
11 portable electronics by a vendor to a customer or the sale of a service
12 related to the use of portable electronics by a vendor to a customer;

13 (8) Supervising entity means a business entity that is a licensed
14 insurance producer or insurer; and

15 (9) Vendor means a person in the business of engaging in portable
16 electronics transactions directly or indirectly.

17 Sec. 2. Section 44-8508, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 44-8508 Notwithstanding any other provision of law:

20 (1) An insurer may terminate or otherwise change the terms and
21 conditions of a policy of portable electronics insurance only upon
22 providing the vendor and enrolled customers with at least thirty ~~sixty~~
23 days' notice, except that:

24 (a) An insurer may terminate an enrolled customer's insurance policy
25 upon fifteen days' notice for:

26 (i) Discovery of fraud or material misrepresentation in obtaining
27 coverage or in the presentation of a claim under such policy; or

28 (ii) Nonpayment of premium; or

29 (b) An insurer may immediately terminate an enrolled customer's
30 insurance policy:

31 (i) If the enrolled customer ceases to have active service with the

1 vendor of portable electronics; or

2 (ii) If an enrolled customer exhausts the aggregate limit of
3 liability, if any, under the portable electronics insurance policy and
4 the insurer sends notice of termination to the customer within thirty
5 days after exhaustion of the limit. If such notice is not sent within the
6 thirty-day period, the customer shall continue to be enrolled in such
7 insurance policy notwithstanding the aggregate limit of liability until
8 the insurer sends notice of termination to the customer;

9 (2) If the insurer changes the terms and conditions, the insurer
10 shall provide the vendor with a revised policy or endorsement and each
11 enrolled customer with a revised certificate, endorsement, updated
12 brochure, or other evidence indicating a change in the terms and
13 conditions has occurred and a summary of the material changes;

14 (3) If a portable electronics insurance policy is terminated by a
15 vendor, the vendor shall mail or deliver written notice to each enrolled
16 customer at least thirty days prior to the termination advising the
17 customer of such termination and of the effective date of termination;
18 and

19 (4) If notice is required under this section, it shall be:

20 (a) In writing and may be mailed or delivered to a vendor at the
21 vendor's mailing address and to an enrolled customer at such customer's
22 last-known mailing address on file with the insurer. The insurer or
23 vendor, as applicable, shall maintain proof of mailing in a form
24 authorized or accepted by the United States Postal Service or a
25 commercial mail delivery service; or

26 (b) In electronic form. Disclosure of notice in electronic form to
27 the enrolled customer shall be provided within thirty days after the
28 purchase of the portable electronics. If notice is delivered in
29 electronic form, the insurer or vendor, as applicable, shall maintain
30 proof that the notice was sent.

31 Sec. 3. Original sections 44-8502 and 44-8508, Revised Statutes

1 Cumulative Supplement, 2016, are repealed.