

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB306

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: January 31, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The Nebraska Legislature enacted the Portable Electronics Insurance Act (LB 535) in 2011, which gave a regulatory framework for the offering and sale of insurance covering portable electronic devices. The Act requires vendors who offer to sell portable electronic insurance to obtain a limited lines producer license and provides consumer protection measures in the form of required disclosures to consumers regarding insurance coverage as well as training for individual salespersons. As both technology and marketplace practices have changed, there is a need to update current law as well as to make the regulation as uniform as practicable as possible across the 50 states.

Many states have a broader definition of portable electronics to accommodate device and accessory products. LB306 would update Nebraska's definition so that it is consistent with both National Institute of Standards and Technology (NIST) and Federal Aviation Administration (FAA) definitions of portable electronic equipment.

LB306 would also provide for a more standard 30-day notice provision to consumers for changes in terms and conditions and would provide nonpayment of premium to be a cause for cancellation of coverage after a 30-day notice, since such limited lines insurance products are paid on a month-by-month basis.

Finally, LB306 would provide clarity in regard to the ability to send e-notices to a customer and address a current discrepancy in the Act. Giving notice of e-notices, by utilizing the customer's e-mail address, must be sent within 30 days of enrollment.

Principal Introducer: _____

Senator Brett Lindstrom