

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1012

By: Jolley

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6 AS INTRODUCED

7 An Act relating to insurance coverage; amending 36  
8 O.S. 2011, Sections 6671, 6675 and 6676, which relate  
9 to the coverage of portable electronics; requiring  
10 the maintenance of a registry of vendor locations  
11 authorized to sell certain insurance coverage;  
12 specifying conditions when registry shall be open to  
13 inspection and examination by the Insurance  
14 Commissioner; modifying requirements related to  
15 certain notice or correspondence; specifying  
16 electronic mail address to be used for certain notice  
17 or correspondence; authorizing the supervising entity  
18 to send out certain notice or correspondence;  
19 requiring certain application information to be  
20 updated by certain time; and providing an effective  
21 date.

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24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2011, Section 6671, is  
amended to read as follows:

Section 6671. A. A vendor is required to hold a limited lines  
license to sell or offer coverage under a policy of portable  
electronics insurance.

B. A limited lines license issued pursuant to this section  
shall authorize any employee or authorized representative of the

1 vendor to sell or offer coverage under a policy of portable  
2 electronics insurance to a customer at each location at which the  
3 vendor engages in portable electronics transactions.

4 C. ~~In connection with a vendor's application for licensure and~~  
5 ~~on a quarterly basis thereafter, the vendor shall provide a list to~~  
6 ~~the Insurance Commissioner of all locations in this state at which~~  
7 ~~it offers coverage~~ The supervising entity shall maintain a registry  
8 of vendor locations which are authorized to sell or solicit portable  
9 electronics insurance coverage in this state. Upon request by the  
10 Insurance Commissioner and with ten (10) days' notice to the  
11 supervising entity, the registry shall be open to inspection and  
12 examination by the Insurance Commissioner during regular business  
13 hours of the supervising entity.

14 D. Notwithstanding any other provision of law, a license issued  
15 pursuant to this section shall authorize the licensee and its  
16 employees or authorized representatives to engage in those  
17 activities that are permitted in this section.

18 SECTION 2. AMENDATORY 36 O.S. 2011, Section 6675, is  
19 amended to read as follows:

20 Section 6675. Notwithstanding any other provision of law:

21 1. An insurer may terminate or otherwise change the terms and  
22 conditions of a policy of portable electronics insurance only upon  
23 providing the policyholder and enrolled customers with at least  
24 thirty (30) days' notice;

1           2. If the insurer changes the terms and conditions of the  
2 policy, then the insurer shall provide the vendor policyholder with  
3 a revised policy or endorsement and each enrolled customer with a  
4 revised certificate, endorsement, updated brochure, or other  
5 evidence indicating a change in the terms and conditions has  
6 occurred and a summary of material changes;

7           3. Notwithstanding paragraph 1 of this section, an insurer may  
8 terminate an enrolled customer's enrollment under a portable  
9 electronics insurance policy upon fifteen (15) days' notice for  
10 discovery of fraud or material misrepresentation in obtaining  
11 coverage or in the presentation of a claim thereunder;

12           4. Notwithstanding paragraph 2 of this section, an insurer may  
13 immediately terminate an enrolled customer's enrollment under a  
14 portable electronics insurance policy:

- 15           a. for nonpayment of premium,
- 16           b. if the enrolled customer ceases to have an active  
17           service with the vendor of portable electronics, or
- 18           c. if an enrolled customer exhausts the aggregate limit  
19           of liability, if any, under the terms of the portable  
20           electronics insurance policy and the insurer sends  
21           notice of termination to the enrolled customer within  
22           thirty (30) calendar days after exhaustion of the  
23           limit. If notice is not timely sent, enrollment shall  
24           continue notwithstanding the aggregate limit of

1 liability until the insurer sends notice of  
2 termination to the enrolled customer;

3 5. When a portable electronics insurance policy is terminated  
4 by a policyholder, the policyholder shall mail or deliver written  
5 notice to each enrolled customer advising the enrolled customer of  
6 the termination of the policy and the effective date of termination.  
7 The written notice shall be mailed or delivered to the enrolled  
8 customer at least thirty (30) days prior to the termination; ~~and~~

9 6. Whenever notice or correspondence with respect to coverage  
10 under a policy of portable electronics insurance is required  
11 pursuant to this section, or is otherwise required by law, it shall  
12 be in writing and ~~may be mailed or delivered~~ sent within the notice  
13 period, if any, specified within the statute or regulation requiring  
14 the notice or correspondence. Notwithstanding any other provision  
15 of law, notices and correspondence may be sent by mail or by  
16 electronic means as set forth in this paragraph. If the notice or  
17 correspondence is mailed, it shall be sent to the vendor of portable  
18 electronics at the vendor's mailing address specified for such  
19 purpose and to its affected enrolled customers' last known mailing  
20 addresses on file with the insurer. ~~If notice is mailed, the~~ The  
21 insurer or vendor of portable electronics, as the case may be, shall  
22 maintain proof of mailing in a form authorized or accepted by the  
23 United States Postal Service or other commercial mail delivery  
24 service. ~~Alternatively, an insurer or vendor policyholder may~~

1 ~~comply with any notice required by this section by providing~~  
2 ~~electronic notice to a vendor or its affected enrolled customers, as~~  
3 ~~the case may be, by electronic means. If notice is accomplished~~  
4 ~~through electronic means the~~ If the notice or correspondence is sent  
5 by electronic means, it shall be sent to the vendor of portable  
6 electronics at the vendor's electronic mail address specified for  
7 such purpose and to its affected enrolled customers' last known  
8 electronic mail addresses as provided by each enrolled customer to  
9 the insurer or vendor of portable electronics, as the case may be.  
10 For purposes of this paragraph, an enrolled customer's provision of  
11 an electronic mail address to the insurer or vendor of portable  
12 electronics, as the case may be, shall be deemed consent to receive  
13 notices and correspondence by electronic means. The insurer or  
14 vendor of portable electronics, as the case may be, shall maintain  
15 proof that the notice or correspondence was sent; and

16 7. Notice or correspondence required by this section or  
17 otherwise required by law may be sent on behalf of an insurer or  
18 vendor, as the case may be, by the supervising entity appointed by  
19 the insurer.

20 SECTION 3. AMENDATORY 36 O.S. 2011, Section 6676, is  
21 amended to read as follows:

22 Section 6676. A. A sworn application for the license provided  
23 for in Section 2 6671 of this act ~~act~~ title shall be made to and filed  
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1 with the Insurance Commissioner on forms prescribed and furnished by  
2 the Insurance Commissioner.

3 B. The application shall:

4 1. Provide the name, residence address, and other information  
5 required by the Insurance Commissioner for an employee or officer of  
6 the vendor that is designated by the applicant as the person  
7 responsible for the vendor's compliance with the requirements of  
8 Sections ~~±~~ 6670 through ~~7~~ 6676 of this ~~act~~ title and update such  
9 information within thirty (30) days of a change in the same. If the  
10 vendor derives more than fifty percent (50%) of its revenue from the  
11 sale of portable electronics insurance, the information ~~noted above~~  
12 required in this subparagraph shall be provided for all officers,  
13 directors, and shareholders of record having beneficial ownership of  
14 ten percent (10%) or more of any class of securities registered  
15 under the federal securities law;

16 2. Appoint the Insurance Commissioner as the applicant's  
17 attorney to receive service of all legal process issued against it  
18 in any civil action or proceeding in this state and agreeing that  
19 process so served shall be valid and binding against the applicant.  
20 The appointment shall be irrevocable, shall bind the company and any  
21 successor in interest as the assets or liabilities of the applicant,  
22 and shall remain in effect as long as the applicant's license  
23 remains in force in this state; and

24 3. Specify the location of the applicant's home office.

1 C. Applications for licensure pursuant to Section ~~2~~ 6671 of  
2 this ~~act~~ title shall be made within ninety (90) days of the  
3 application being made available by the Insurance Commissioner.

4 D. Initial licenses issued pursuant to the Section ~~2~~ 6671 of  
5 this ~~act~~ title shall be valid for a period of twenty-four (24)  
6 months.

7 E. Each vendor of portable electronics licensed pursuant to  
8 Sections ~~4~~ 6670 through ~~7~~ 6676 of this ~~act~~ title shall pay to the  
9 Insurance Commissioner a fee as prescribed by the Insurance  
10 Commissioner but in no event shall the fee exceed One Thousand  
11 Dollars (\$1,000.00) for an initial portable electronics limited  
12 lines license and Five Hundred Dollars (\$500.00) for each renewal  
13 thereof. For a vendor that is engaged in portable electronics  
14 transactions at ten or fewer locations in the state the fee shall  
15 not exceed One Hundred Dollars (\$100.00) for an initial license and  
16 for each renewal thereof.

17 SECTION 4. This act shall become effective November 1, 2012.

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