



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5047

Introduced 2/7/2012, by Rep. Monique D. Davis

SYNOPSIS AS INTRODUCED:

215 ILCS 136/10
215 ILCS 136/15
215 ILCS 136/30

Amends the Portable Electronics Insurance Act. Provides that a business entity that is a licensed insurance producer or insurer (supervising entity) shall maintain a registry of vendor locations that are authorized to sell or solicit portable electronics insurance coverage in the State and that, upon request by the Director of Insurance and with 10 days notice to the supervising entity, the registry shall be open to inspection and examination by the Director during the regular business hours of the supervising entity. Makes changes to the provision requiring brochures or other written materials be made available to prospective customers at every location where portable electronics insurance is offered. Deletes language concerning notice with regard to the termination of portable electronics insurance and provides instead that whenever notice or correspondence with respect to a policy of portable electronics insurance is required pursuant to the provision concerning termination of portable electronics insurance or is otherwise required by law, it shall be in writing and sent within the notice period, if any, specified within the statute or regulation. Sets forth provisions concerning notice requirements.

LRB097 20156 RPM 65559 b

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Portable Electronics Insurance Act is
5 amended by changing Sections 10, 15, and 30 as follows:

6 (215 ILCS 136/10)

7 Sec. 10. Licensure of vendors.

8 (a) In order to sell or offer coverage under a policy of
9 portable electronics insurance, a vendor is required to hold a
10 limited-lines license.

11 (b) A limited-lines license issued under this Act shall
12 authorize any employee or authorized representative of the
13 vendor to sell or offer coverage under a policy of portable
14 electronics insurance to a customer at each location at which
15 the vendor engages in portable electronics transactions.

16 (c) The supervising entity shall maintain a registry of
17 vendor locations that are authorized to sell or solicit
18 portable electronics insurance coverage in this State. Upon
19 request by the Director and with 10 days notice to the
20 supervising entity, the registry shall be open to inspection
21 and examination by the Director during the regular business
22 hours of the supervising entity. ~~In connection with a vendor's~~
23 ~~application for licensure and quarterly thereafter, the vendor~~

1 ~~shall provide a list to the Director of all locations in this~~
2 ~~State at which it offers coverage.~~

3 (d) Notwithstanding any other provision of law, a license
4 issued pursuant to this Act shall authorize the licensee and
5 its employees or authorized representatives to engage only in
6 those activities that are permitted in this Act.

7 (Source: P.A. 97-366, eff. 1-1-12.)

8 (215 ILCS 136/15)

9 Sec. 15. Requirements for sale of portable electronics
10 insurance.

11 (a) At every location where portable electronics insurance
12 is offered to customers, brochures or other written materials
13 must be made available to a prospective customer. The brochures
14 or other written materials shall do all of the following:

15 (1) disclose that portable electronics insurance may
16 provide a duplication of coverage already provided by a
17 customer's homeowner's insurance policy, renter's
18 insurance policy, or other source of coverage;

19 (2) state that the enrollment by the customer in a
20 portable electronics insurance program is not required in
21 order to purchase or lease portable electronics or
22 services;

23 (3) summarize the material terms of the insurance
24 coverage, including:

25 (A) the identity of the insurer;

- 1 (B) the identity of the supervising entity;
- 2 (C) the amount of any applicable deductible and how
3 it is to be paid;
- 4 (D) benefits of the coverage; and
- 5 (E) key terms and conditions of coverage, such as
6 whether portable electronics may be repaired or
7 replaced with similar make and model reconditioned or
8 nonoriginal manufacturer parts or equipment;
- 9 (4) summarize the process for filing a claim, including
10 a description of how to return portable electronics and the
11 maximum fee applicable in the event the enrolled customer
12 fails to comply with any equipment return requirements; and
- 13 (5) state that the enrolled customer may cancel
14 enrollment for coverage under a portable electronics
15 insurance policy at any time and the person paying the
16 premium shall receive a refund or credit of any applicable
17 unearned premium ~~within 15 days after receipt of the refund~~
18 ~~by the vendor.~~
- 19 (a-5) Any refund or credit due to an enrolled customer
20 shall be issued within 15 days after receipt of the refund by
21 the vendor.
- 22 (b) Portable electronics insurance may be offered on a
23 month-to-month or other periodic basis as a group or master
24 commercial inland marine policy issued to a vendor of portable
25 electronics for its enrolled customers.
- 26 (c) Eligibility and underwriting standards for customers

1 electing to enroll in coverage shall be established for each
2 portable electronics insurance program.

3 (Source: P.A. 97-366, eff. 1-1-12.)

4 (215 ILCS 136/30)

5 Sec. 30. Termination of portable electronics insurance.
6 Notwithstanding any other provision of law:

7 (1) An insurer may terminate or otherwise change the
8 terms and conditions of a policy of portable electronics
9 insurance only upon providing the policyholder and
10 enrolled customers with at least 60 days notice.

11 (2) If the insurer changes the terms and conditions,
12 then the insurer shall provide the vendor policyholder with
13 a revised policy or endorsement and each enrolled customer
14 with a revised certificate, endorsement, updated brochure,
15 or other evidence indicating that a change in the terms and
16 conditions has occurred and a summary of the material
17 changes.

18 (3) Notwithstanding item (2) of this Section, an
19 insurer may terminate an enrolled customer's enrollment
20 under a portable electronics insurance policy upon 15 days
21 notice for discovery of fraud or material
22 misrepresentation in obtaining coverage or in the
23 presentation of a claim thereunder.

24 (4) Notwithstanding item (2) of this Section, an
25 insurer may immediately terminate an enrolled customer's

1 enrollment under a portable electronics insurance policy:

2 (A) for nonpayment of premium;

3 (B) if the enrolled customer ceases to have an
4 active service with the vendor of portable
5 electronics; or

6 (C) if an enrolled customer exhausts the aggregate
7 limit of liability, if any, under the terms of the
8 portable electronics insurance policy and the insurer
9 sends notice of termination to the enrolled customer
10 within 30 calendar days after exhaustion of the limit;
11 however, if notice is not timely sent, enrollment shall
12 continue, notwithstanding the aggregate limit of
13 liability, until the insurer sends notice of
14 termination to the enrolled customer.

15 (5) When a portable electronics insurance policy is
16 terminated by a policyholder, the policyholder shall mail
17 or deliver written notice to each enrolled customer
18 advising the enrolled customer of the termination of the
19 policy and the effective date of termination. The written
20 notice shall be mailed or delivered to the enrolled
21 customer at least 30 days prior to the termination.

22 (6) Whenever notice or correspondence with respect to a
23 policy of portable electronics insurance is required
24 pursuant to this Section or is otherwise required by law,
25 it shall be in writing and sent within the notice period,
26 if any, specified within the statute or regulation

1 requiring the notice or correspondence. Notwithstanding
2 any other provision of law, notices and correspondence may
3 be sent either by mail or by electronic means as set forth
4 in this paragraph (6). If the notice or correspondence is
5 mailed, it shall be sent to the vendor of portable
6 electronics at the vendor's mailing address specified for
7 such purpose and to its affected enrolled customers' last
8 known mailing addresses on file with the insurer. The
9 insurer or vendor of portable electronics, as the case may
10 be, shall maintain proof of mailing in a form authorized or
11 accepted by the United States Postal Service or other
12 commercial mail delivery service. If the notice or
13 correspondence is sent by electronic means, it shall be
14 sent to the vendor of portable electronics at the vendor's
15 electronic mail address specified for such purpose and to
16 its affected enrolled customer's last known electronic
17 mail address as provided by each enrolled customer to the
18 insurer or vendor of portable electronics, as the case may
19 be. For purposes of this paragraph (6), an enrolled
20 customer's provision of an electronic mail address to the
21 insurer or vendor of portable electronics, as the case may
22 be, shall be deemed consent to receive notices and
23 correspondence by electronic means. The insurer or vendor
24 of portable electronics, as the case may be, shall maintain
25 proof that the notice or correspondence was sent. ~~Whenever~~
26 notice is required pursuant to this Section, it shall be in

1 ~~writing and may be mailed or delivered to the vendor of~~
2 ~~portable electronics at the vendor's mailing address and to~~
3 ~~its affected enrolled customers' last known mailing~~
4 ~~addresses on file with the insurer. If notice is mailed,~~
5 ~~then the insurer or vendor of portable electronics, as the~~
6 ~~case may be, shall maintain proof of mailing in a form~~
7 ~~authorized or accepted by the United States Postal Service~~
8 ~~or other commercial mail delivery service. Alternatively,~~
9 ~~an insurer or vendor policyholder may comply with any~~
10 ~~notice required by this Section by providing electronic~~
11 ~~notice to a vendor or its affected enrolled customers, as~~
12 ~~the case may be, by electronic means. If notice is~~
13 ~~accomplished through electronic means, then the insurer or~~
14 ~~vendor of portable electronics shall maintain proof that~~
15 ~~the notice was sent.~~

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

20 (Source: P.A. 97-366, eff. 1-1-12.)