

AN ACT concerning insurance.

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

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

(215 ILCS 136/10)

Sec. 10. Licensure of vendors.

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

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

(c) The supervising entity shall maintain a registry of vendor locations that are authorized to sell or solicit portable electronics insurance coverage in this State. Upon request by the Director 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. ~~In connection with a vendor's application for licensure and quarterly thereafter, the vendor~~

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

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

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

(215 ILCS 136/15)

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

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

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

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

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

(A) the identity of the insurer;

(B) the identity of the supervising entity;

(C) the amount of any applicable deductible and how it is to be paid;

(D) benefits of the coverage; and

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

(4) summarize the process for filing a claim, including a description of how to return portable electronics and the maximum fee applicable in the event the enrolled customer fails to comply with any equipment return requirements; and

(5) state that the enrolled customer may cancel enrollment for coverage under a portable electronics insurance policy at any time and the person paying the premium shall receive a refund or credit of any applicable unearned premium ~~within 15 days after receipt of the refund by the vendor.~~

(a-5) Any refund or credit due to an enrolled customer shall be issued within 15 days after receipt of the refund by the vendor.

(b) Portable electronics insurance may be offered on a month-to-month or other periodic basis as a group or master commercial inland marine policy issued to a vendor of portable electronics for its enrolled customers.

(c) Eligibility and underwriting standards for customers

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

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

(215 ILCS 136/30)

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

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

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

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

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

enrollment under a portable electronics insurance policy:

(A) for nonpayment of premium;

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

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

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

(6) Whenever notice or correspondence with respect to a policy of portable electronics insurance is required pursuant to this Section 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

requiring the notice or correspondence. Notwithstanding any other provision of law, notices and correspondence may be sent either by mail or by electronic means as set forth in this paragraph (6). If the notice or correspondence is mailed, it shall be sent to the vendor of portable electronics at the vendor's mailing address specified for such purpose and to its affected enrolled customers' last known mailing addresses on file with the insurer. The insurer or vendor of portable electronics, as the case may be, shall maintain proof of mailing in a form authorized or accepted by the United States Postal Service or other commercial mail delivery service. If the notice or correspondence is sent by electronic means, it shall be sent to the vendor of portable electronics at the vendor's electronic mail address specified for such purpose and to its affected enrolled customer's last known electronic mail address as provided by each enrolled customer to the insurer or vendor of portable electronics, as the case may be. For purposes of this paragraph (6), an enrolled customer's provision of an electronic mail address to the insurer or vendor of portable electronics, as the case may be, shall be deemed consent to receive notices and correspondence by electronic means. The insurer or vendor of portable electronics, as the case may be, shall maintain proof that the notice or correspondence was sent. ~~Whenever notice is required pursuant to this Section, it shall be in~~

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

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

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