

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0299.01 Kristen Forrestal x4217

**HOUSE BILL 12-1071**

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**HOUSE SPONSORSHIP**

**Liston,**

**SENATE SPONSORSHIP**

**Jahn,**

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**House Committees**  
Economic and Business Development

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING PORTABLE ELECTRONICS INSURANCE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill requires a vendor of portable electronics to hold a limited license to sell or offer portable electronics insurance. The limited license authorizes an employee or authorized representative of the vendor to sell or offer coverage to customers at each vendor location.

Each vendor is required to make written materials available to customers that:

! Disclose that portable electronics insurance may provide

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

- duplicate coverage;
- ! State that the purchase of coverage is not required;
- ! Summarize the material terms of the insurance;
- ! Summarize the process for filing a claim; and
- ! State that the coverage may be cancelled at any time.

The bill outlines the criteria that a person must meet in order to sell portable electronics insurance without a limited license. The bill outlines the billing and collections procedures for vendors.

Each vendor who violates the terms for selling portable electronics insurance is subject to fines and suspension or revocation of the privilege of selling the insurance. A vendor is permitted to terminate coverage with the required notice upon discovery of fraud or misrepresentation by the customer, for nonpayment of the premium, if the customer no longer has active service with the vendor, or if the customer exhausts the aggregate limit of liability. The bill outlines notice requirements for correspondence between the vendor and the customer.

The commissioner of insurance is required to prescribe an application for insurance and accept applications from the vendors. Each vendor is required to pay a fee to the commissioner for a limited license.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 15 to article  
3 4 of title 10 as follows:

4 **PART 15**

5 **PORTABLE ELECTRONICS INSURANCE**

6 **10-4-1501. Definitions.** AS USED IN THIS PART 15, UNLESS THE  
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "CUSTOMER" MEANS A PERSON WHO PURCHASES PORTABLE  
9 ELECTRONICS OR SERVICES.

10 (2) "ENROLLED CUSTOMER" MEANS A CUSTOMER WHO ELECTS  
11 COVERAGE UNDER A PORTABLE ELECTRONICS INSURANCE POLICY ISSUED  
12 TO A VENDOR OF PORTABLE ELECTRONICS.

13 (3) "INSURER" MEANS ANY ADMITTED COMPANY OR AUTHORIZED  
14 COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT

1 INSURANCE IN THIS STATE.

2 (4) "LOCATION" MEANS ANY PHYSICAL LOCATION IN THIS STATE OR  
3 ANY WEB SITE, CALL CENTER SITE, OR SIMILAR LOCATION DIRECTED TO  
4 RESIDENTS OF THIS STATE.

5 (5) "PORTABLE ELECTRONICS" MEANS PERSONAL,  
6 SELF-CONTAINED, EASILY CARRIED BY AN INDIVIDUAL,  
7 BATTERY-OPERATED ELECTRONIC COMMUNICATION, VIEWING, LISTENING,  
8 RECORDING, GAMING, COMPUTING, OR GLOBAL POSITIONING DEVICES,  
9 INCLUDING CELL OR SATELLITE PHONES, PAGERS, PERSONAL GLOBAL  
10 POSITIONING SATELLITE UNITS, PORTABLE COMPUTERS, PORTABLE AUDIO  
11 LISTENING, WIRELESS DEVICES, VIDEO VIEWING OR RECORDING DEVICES,  
12 DIGITAL CAMERAS, VIDEO CAMCORDERS, PORTABLE GAMING SYSTEMS,  
13 DOCKING STATIONS, AUTOMATIC ANSWERING DEVICES, AND OTHER  
14 SIMILAR DEVICES AND THEIR ACCESSORIES, AND SERVICE RELATED TO THE  
15 USE OF SUCH DEVICES.

16 (6) (a) "PORTABLE ELECTRONICS INSURANCE" MEANS INSURANCE  
17 THAT PROVIDES COVERAGE FOR THE REPAIR OR REPLACEMENT OF  
18 PORTABLE ELECTRONICS THAT MAY PROVIDE COVERAGE FOR PORTABLE  
19 ELECTRONICS AGAINST ANY ONE OR MORE OF THE FOLLOWING CAUSES OF  
20 LOSS:

21 (I) LOSS;

22 (II) THEFT;

23 (III) INOPERABILITY DUE TO MECHANICAL FAILURE OR  
24 MALFUNCTION;

25 (IV) DAMAGE; OR

26 (V) OTHER SIMILAR CAUSES OF LOSS.

27 (b) "PORTABLE ELECTRONICS INSURANCE" DOES NOT INCLUDE:

1 (I) A SERVICE CONTRACT OR EXTENDED WARRANTY THAT  
2 PROVIDES COVERAGE LIMITED TO THE REPAIR, REPLACEMENT, OR  
3 MAINTENANCE OF PROPERTY FOR THE OPERATIONAL OR STRUCTURAL  
4 FAILURE OF PROPERTY DUE TO A DEFECT IN MATERIALS, WORKMANSHIP,  
5 ACCIDENTAL DAMAGE FROM HANDLING, POWER SURGES, OR NORMAL  
6 WEAR AND TEAR;

7 (II) A SERVICE CONTRACT THAT IS IN EFFECT AS OF THE EFFECTIVE  
8 DATE OF THIS PART 15 THAT PROVIDES COVERAGE FOR THE LOSS OF  
9 PORTABLE ELECTRONICS ASSOCIATED WITH AN ONGOING SERVICE  
10 RELATIONSHIP BETWEEN A VENDOR AND A CONSUMER OR THAT IS  
11 OTHERWISE REGULATED PURSUANT TO RULES PROMULGATED BY THE  
12 COMMISSIONER;

13 (III) A POLICY OF INSURANCE COVERING A SELLER'S OR  
14 MANUFACTURER'S OBLIGATIONS UNDER A WARRANTY; OR

15 (IV) A HOMEOWNER'S, RENTER'S, PRIVATE PASSENGER  
16 AUTOMOBILE, COMMERCIAL MULTI-PERIL, OR SIMILAR POLICY.

17 (7) "PORTABLE ELECTRONICS TRANSACTION" MEANS:

18 (a) THE SALE OR LEASE OF PORTABLE ELECTRONICS BY A VENDOR  
19 TO A CUSTOMER; OR

20 (b) THE SALE OF A SERVICE RELATED TO THE USE OF PORTABLE  
21 ELECTRONICS BY A VENDOR TO A CUSTOMER.

22 (8) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY THAT IS A  
23 LICENSED INSURER OR INSURANCE PRODUCER THAT IS AUTHORIZED BY AN  
24 INSURER TO SUPERVISE THE ADMINISTRATION OF A PORTABLE  
25 ELECTRONICS INSURANCE PROGRAM.

26 (9) "VENDOR" MEANS A PERSON IN THE BUSINESS OF ENGAGING IN  
27 PORTABLE ELECTRONICS TRANSACTIONS DIRECTLY OR INDIRECTLY.

1           **10-4-1502. Licensure of vendors.** (1) A VENDOR SHALL HOLD A  
2 LIMITED LINES PRODUCER LICENSE ISSUED BY THE DIVISION IN  
3 ACCORDANCE WITH PART 4 OF ARTICLE 2 OF THIS TITLE IN ORDER TO SELL  
4 OR OFFER COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS  
5 INSURANCE.

6           (2) A LIMITED LINES PRODUCER LICENSE ISSUED FOR THE PURPOSES  
7 OF THIS PART 15 AUTHORIZES AN EMPLOYEE OR AUTHORIZED  
8 REPRESENTATIVE OF THE VENDOR TO SELL OR OFFER COVERAGE UNDER A  
9 POLICY OF PORTABLE ELECTRONICS INSURANCE TO A CUSTOMER AT EACH  
10 LOCATION AT WHICH THE VENDOR ENGAGES IN PORTABLE ELECTRONICS  
11 TRANSACTIONS.

12           (3) THE SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF  
13 VENDOR LOCATIONS THAT ARE AUTHORIZED TO SELL OR SOLICIT PORTABLE  
14 ELECTRONICS INSURANCE COVERAGE IN THIS STATE. UPON REQUEST BY  
15 THE COMMISSIONER AND WITH TEN DAYS' NOTICE TO THE SUPERVISING  
16 ENTITY, THE SUPERVISING ENTITY SHALL MAKE THE REGISTRY OPEN TO  
17 INSPECTION AND EXAMINATION BY THE COMMISSIONER DURING REGULAR  
18 BUSINESS HOURS OF THE SUPERVISING ENTITY.

19           (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE  
20 ISSUED PURSUANT TO THIS PART 15 AUTHORIZES THE LICENSEE AND ITS  
21 EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ENGAGE IN THOSE  
22 ACTIVITIES THAT ARE PERMITTED IN THIS PART 15.

23           **10-4-1503. Requirements for sale of portable electronics**  
24 **insurance.** (1) AT EVERY LOCATION WHERE PORTABLE ELECTRONICS  
25 INSURANCE IS OFFERED TO CUSTOMERS, THE VENDOR SHALL MAKE  
26 BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO A PROSPECTIVE  
27 CUSTOMER THAT:

1 (a) DISCLOSE THAT PORTABLE ELECTRONICS INSURANCE MAY  
2 PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY A  
3 CUSTOMER'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE  
4 POLICY, OR OTHER SOURCE OF COVERAGE;

5 (b) STATE THAT THE ENROLLMENT BY THE CUSTOMER IN A  
6 PORTABLE ELECTRONICS INSURANCE PROGRAM IS NOT REQUIRED IN ORDER  
7 TO PURCHASE OR LEASE PORTABLE ELECTRONICS OR SERVICES;

8 (c) SUMMARIZE THE MATERIAL TERMS OF THE INSURANCE  
9 COVERAGE, INCLUDING:

10 (I) THE IDENTITY OF THE INSURER;

11 (II) THE IDENTITY OF THE SUPERVISING ENTITY;

12 (III) THE AMOUNT OF ANY APPLICABLE DEDUCTIBLE AND HOW IT  
13 IS TO BE PAID;

14 (IV) BENEFITS OF THE COVERAGE; AND

15 (V) KEY TERMS AND CONDITIONS OF COVERAGE, SUCH AS  
16 WHETHER PORTABLE ELECTRONICS MAY BE REPAIRED OR REPLACED WITH  
17 SIMILAR MAKE AND MODEL RECONDITIONED OR NONORIGINAL  
18 MANUFACTURER PARTS OR EQUIPMENT;

19 (d) SUMMARIZE THE PROCESS FOR FILING A CLAIM, INCLUDING A  
20 DESCRIPTION OF HOW TO RETURN PORTABLE ELECTRONICS AND THE  
21 MAXIMUM FEE APPLICABLE IF THE CUSTOMER FAILS TO COMPLY WITH ANY  
22 EQUIPMENT RETURN REQUIREMENTS; AND

23 (e) STATE THAT AN ENROLLED CUSTOMER MAY CANCEL  
24 ENROLLMENT FOR COVERAGE UNDER A PORTABLE ELECTRONICS  
25 INSURANCE POLICY AT ANY TIME, AND THAT THE PERSON PAYING THE  
26 PREMIUM WILL RECEIVE A REFUND OF ANY APPLICABLE UNEARNED  
27 PREMIUM.

1 (2) AN INSURER MAY OFFER PORTABLE ELECTRONICS INSURANCE  
2 ON A MONTH-TO-MONTH OR OTHER PERIODIC BASIS AS A GROUP OR  
3 MASTER COMMERCIAL INLAND MARINE POLICY ISSUED TO A VENDOR OF  
4 PORTABLE ELECTRONICS FOR ITS ENROLLED CUSTOMERS.

5 (3) A POLICY OF INSURANCE PROVIDES PRIMARY COVERAGE IN THE  
6 EVENT OF A COVERED LOSS UNDER MORE THAN ONE POLICY.

7 (4) EACH INSURER SHALL ESTABLISH ELIGIBILITY AND  
8 UNDERWRITING STANDARDS FOR CUSTOMERS ELECTING TO ENROLL IN  
9 COVERAGE FOR EACH PORTABLE ELECTRONICS INSURANCE PROGRAM.

10 **10-4-1504. Authority of vendors of portable electronics.**

11 (1) THE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF VENDORS  
12 MAY SELL OR OFFER PORTABLE ELECTRONICS INSURANCE TO CUSTOMERS  
13 AND ARE NOT SUBJECT TO LICENSURE AS AN INSURANCE PRODUCER UNDER  
14 THIS TITLE IF:

15 (a) THE VENDOR OBTAINS A LIMITED LINES PRODUCER LICENSE TO  
16 AUTHORIZE ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO SELL OR  
17 OFFER PORTABLE ELECTRONICS INSURANCE PURSUANT TO THIS SECTION;

18 (b) THE INSURER ISSUING THE PORTABLE ELECTRONICS INSURANCE  
19 EITHER DIRECTLY SUPERVISES, AUTHORIZES, OR APPOINTS A SUPERVISING  
20 ENTITY TO SUPERVISE THE ADMINISTRATION OF THE PROGRAM, INCLUDING  
21 DEVELOPMENT OF A TRAINING PROGRAM FOR EMPLOYEES AND  
22 AUTHORIZED REPRESENTATIVES OF THE VENDORS. THE SUPERVISING  
23 ENTITY SHALL INCLUDE THE FOLLOWING IN THE TRAINING PROGRAM,  
24 WHICH MUST INCLUDE EMPLOYEES AND AUTHORIZED REPRESENTATIVES  
25 OF VENDORS WHO ARE DIRECTLY ENGAGED IN THE ACTIVITY OF SELLING  
26 OR OFFERING PORTABLE ELECTRONICS INSURANCE:

27 (I) A SUPPLEMENTAL EDUCATION PROGRAM REGARDING THE

1 PORTABLE ELECTRONICS INSURANCE PRODUCT THAT IS CONDUCTED AND  
2 OVERSEEN BY LICENSED EMPLOYEES OF THE SUPERVISING ENTITY IF THE  
3 TRAINING PROGRAM IS PROVIDED IN ELECTRONIC FORMAT; AND

4 (II) INSTRUCTION TO EACH EMPLOYEE OR AUTHORIZED  
5 REPRESENTATIVE ABOUT THE PORTABLE ELECTRONICS INSURANCE  
6 OFFERED TO CUSTOMERS AND THE DISCLOSURES REQUIRED UNDER  
7 SECTION 10-4-1503; AND

8 (c) THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A VENDOR  
9 DOES NOT ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR  
10 HERSELF OUT AS A NONLIMITED LINES LICENSED INSURANCE PRODUCER.

11 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A VENDOR  
12 SHALL NOT COMPENSATE EMPLOYEES OR AUTHORIZED REPRESENTATIVES  
13 OF A VENDOR BASED PRIMARILY ON THE NUMBER OF CUSTOMERS  
14 ENROLLED FOR PORTABLE ELECTRONICS INSURANCE COVERAGE, BUT THE  
15 VENDOR MAY COMPENSATE EMPLOYEES OR AUTHORIZED  
16 REPRESENTATIVES FOR ACTIVITIES UNDER THE LIMITED LINES LICENSE AS  
17 LONG AS THE COMPENSATION IS INCIDENTAL TO THE EMPLOYEE'S OR  
18 AUTHORIZED REPRESENTATIVE'S OVERALL COMPENSATION.

19 (3) A VENDOR MAY BILL AND COLLECT CHARGES FOR PORTABLE  
20 ELECTRONICS INSURANCE COVERAGE. A VENDOR SHALL SEPARATELY  
21 ITEMIZE ANY CHARGE TO THE ENROLLED CUSTOMER FOR COVERAGE THAT  
22 IS NOT INCLUDED IN THE COST ASSOCIATED WITH THE PURCHASE OR LEASE  
23 OF PORTABLE ELECTRONICS AND ANY RELATED SERVICES. IF THE  
24 PORTABLE ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE  
25 PURCHASE OR LEASE OF PORTABLE ELECTRONICS OR RELATED SERVICES,  
26 THE VENDOR SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE  
27 ENROLLED CUSTOMER THAT THE PORTABLE ELECTRONICS INSURANCE



1 COVERAGE IS INCLUDED WITH THE PORTABLE ELECTRONICS OR RELATED  
2 SERVICES. VENDORS BILLING AND COLLECTING THE CHARGES ARE NOT  
3 REQUIRED TO MAINTAIN THE CHARGES IN A SEGREGATED ACCOUNT IF THE  
4 VENDOR IS AUTHORIZED BY THE INSURER TO HOLD THE CHARGES IN AN  
5 ALTERNATIVE MANNER AND REMITS THE CHARGES TO THE SUPERVISING  
6 ENTITY WITHIN SIXTY DAYS AFTER RECEIPT. ALL CHARGES RECEIVED BY  
7 A VENDOR FROM AN ENROLLED CUSTOMER FOR THE SALE OF PORTABLE  
8 ELECTRONICS INSURANCE ARE HELD IN TRUST BY THE VENDOR IN A  
9 FIDUCIARY CAPACITY FOR THE BENEFIT OF THE INSURER. VENDORS MAY  
10 RECEIVE COMPENSATION FOR BILLING AND COLLECTION SERVICES.

11 **10-4-1505. Suspension or revocation of license.** (1) IF A  
12 VENDOR OF PORTABLE ELECTRONICS OR ITS EMPLOYEE OR AUTHORIZED  
13 REPRESENTATIVE VIOLATES THIS PART 15, THE COMMISSIONER MAY TAKE  
14 DISCIPLINARY ACTION AGAINST THE VENDOR IN ACCORDANCE WITH PART  
15 8 OF ARTICLE 2 OF THIS TITLE. A FINE IMPOSED AS DISCIPLINARY ACTION  
16 SHALL NOT EXCEED FIVE THOUSAND DOLLARS IN THE AGGREGATE FOR  
17 MULTIPLE VIOLATIONS ARISING FROM THE SAME OR SIMILAR CONDUCT.

18 (2) IN ADDITION TO OTHER PENALTIES AUTHORIZED BY PART 8 OF  
19 ARTICLE 2 OF THIS TITLE, THE COMMISSIONER MAY:

20 (a) SUSPEND THE PRIVILEGE OF TRANSACTING PORTABLE  
21 ELECTRONICS INSURANCE PURSUANT TO THIS PART 15 AT SPECIFIC  
22 BUSINESS LOCATIONS WHERE VIOLATIONS HAVE OCCURRED; AND

23 (b) SUSPEND OR REVOKE THE ABILITY OF INDIVIDUAL EMPLOYEES  
24 OR AUTHORIZED REPRESENTATIVES TO ACT UNDER THE LICENSE.

25 **10-4-1506. Termination of portable electronics insurance.**

26 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

27 (a) (I) EXCEPT AS SPECIFIED IN SUBPARAGRAPHS (II) AND (III) OF

1 THIS PARAGRAPH (a), AN INSURER MAY TERMINATE OR OTHERWISE  
2 CHANGE THE TERMS AND CONDITIONS OF A POLICY OF PORTABLE  
3 ELECTRONICS INSURANCE ONLY UPON PROVIDING THE VENDOR AND  
4 ENROLLED CUSTOMERS WITH AT LEAST THIRTY DAYS' NOTICE;

5 (II) AN INSURER MAY TERMINATE AN ENROLLED CUSTOMER'S  
6 ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY UPON  
7 FIFTEEN DAYS' NOTICE FOR NONPAYMENT OF PREMIUM OR FOR DISCOVERY  
8 OF FRAUD OR MATERIAL MISREPRESENTATION IN OBTAINING COVERAGE OR  
9 IN THE PRESENTATION OF A CLAIM UNDER THE POLICY;

10 (III) AN INSURER MAY IMMEDIATELY TERMINATE AN ENROLLED  
11 CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE  
12 POLICY:

13 (A) IF THE ENROLLED CUSTOMER CEASES TO HAVE AN ACTIVE  
14 SERVICE WITH THE VENDOR OF PORTABLE ELECTRONICS; OR

15 (B) IF AN ENROLLED CUSTOMER EXHAUSTS THE AGGREGATE LIMIT  
16 OF LIABILITY, IF ANY, UNDER THE TERMS OF THE PORTABLE ELECTRONICS  
17 INSURANCE POLICY AND THE INSURER SENDS NOTICE OF TERMINATION TO  
18 THE ENROLLED CUSTOMER WITHIN THIRTY CALENDAR DAYS AFTER  
19 EXHAUSTION OF THE LIMIT. IF NOTICE IS NOT TIMELY SENT, ENROLLMENT  
20 CONTINUES NOTWITHSTANDING THE AGGREGATE LIMIT OF LIABILITY UNTIL  
21 THE INSURER SENDS NOTICE OF TERMINATION TO THE ENROLLED  
22 CUSTOMER.

23 (b) IF THE INSURER CHANGES THE TERMS AND CONDITIONS, THEN  
24 THE INSURER SHALL PROVIDE THE VENDOR WITH A REVISED POLICY OR  
25 ENDORSEMENT AND SHALL PROVIDE EACH ENROLLED CUSTOMER WITH A  
26 REVISED CERTIFICATE, ENDORSEMENT, UPDATED BROCHURE, OR OTHER  
27 EVIDENCE INDICATING THAT A CHANGE IN THE TERMS AND CONDITIONS

1 HAS OCCURRED AND A SUMMARY OF THE MATERIAL CHANGES;

2 (c) WHEN A VENDOR TERMINATES A PORTABLE ELECTRONICS  
3 INSURANCE POLICY, THE VENDOR SHALL MAIL OR DELIVER WRITTEN  
4 NOTICE TO EACH ENROLLED CUSTOMER ADVISING THE ENROLLED  
5 CUSTOMER OF THE TERMINATION OF THE POLICY AND THE EFFECTIVE DATE  
6 OF TERMINATION. THE INSURER SHALL MAIL OR DELIVER WRITTEN NOTICE  
7 TO THE ENROLLED CUSTOMER AT LEAST THIRTY DAYS BEFORE THE  
8 TERMINATION.

9 (d) (I) WHENEVER NOTICE OR CORRESPONDENCE WITH RESPECT TO  
10 A POLICY OF PORTABLE ELECTRONICS INSURANCE IS REQUIRED PURSUANT  
11 TO THIS PART 15 OR IS OTHERWISE REQUIRED BY LAW, THE INSURER,  
12 VENDOR, OR OTHER PERSON SHALL SEND IT IN WRITING WITHIN THE NOTICE  
13 PERIOD, IF ANY, SPECIFIED WITHIN THE STATUTE OR RULE REQUIRING THE  
14 NOTICE OR CORRESPONDENCE. NOTWITHSTANDING ANY OTHER PROVISION  
15 OF LAW, AN INSURER, VENDOR, OR OTHER PERSON MAY SEND NOTICES AND  
16 CORRESPONDENCE BY EITHER MAIL OR ELECTRONIC MEANS.

17 (II) IF THE NOTICE OR CORRESPONDENCE IS MAILED, THE INSURER  
18 SHALL SEND IT TO THE VENDOR AT THE VENDOR'S MAILING ADDRESS  
19 SPECIFIED FOR SUCH PURPOSE AND TO ITS AFFECTED ENROLLED  
20 CUSTOMERS' LAST-KNOWN MAILING ADDRESSES ON FILE WITH THE  
21 INSURER. THE INSURER OR VENDOR SHALL MAINTAIN PROOF OF MAILING  
22 IN A FORM AUTHORIZED OR ACCEPTED BY THE UNITED STATES POSTAL  
23 SERVICE OR OTHER COMMERCIAL MAIL DELIVERY SERVICE.

24 (III) IF THE NOTICE OR CORRESPONDENCE IS SENT BY ELECTRONIC  
25 MEANS, THE INSURER SHALL SEND IT TO THE VENDOR AT THE VENDOR'S  
26 ELECTRONIC MAIL ADDRESS SPECIFIED FOR SUCH PURPOSE AND TO ITS  
27 AFFECTED ENROLLED CUSTOMERS' LAST-KNOWN ELECTRONIC MAIL

1 ADDRESS AS PROVIDED BY EACH ENROLLED CUSTOMER TO THE INSURER OR  
2 VENDOR. THE INSURER OR VENDOR SHALL MAINTAIN PROOF THAT THE  
3 NOTICE OR CORRESPONDENCE WAS SENT.

4 (IV) FOR PURPOSES OF THIS PARAGRAPH (d), AN ENROLLED  
5 CUSTOMER'S PROVISION OF AN ELECTRONIC MAIL ADDRESS TO THE  
6 INSURER OR VENDOR IS CONSENT TO RECEIVE NOTICES AND  
7 CORRESPONDENCE BY ELECTRONIC MEANS.

8 (e) THE SUPERVISING ENTITY APPOINTED BY THE INSURER MAY  
9 SEND NOTICE OR CORRESPONDENCE REQUIRED BY THIS SECTION OR  
10 OTHERWISE REQUIRED BY LAW ON BEHALF OF AN INSURER OR VENDOR.

11 **10-4-1507. Application for license - fees.** (1) AN APPLICANT FOR  
12 A LICENSE UNDER THIS PART 15 SHALL APPLY FOR A LICENSE IN  
13 ACCORDANCE WITH SECTION 10-2-404; EXCEPT THAT, IN LIEU OF  
14 PROVIDING INFORMATION FOR ALL OFFICERS, PARTNERS, AND DIRECTORS  
15 AS REQUIRED BY SECTION 10-2-404 (2), THE REQUIRED INFORMATION TO  
16 BE SUBMITTED FOR A LICENSE PURSUANT TO THIS PART 15 IS LIMITED TO  
17 THE INFORMATION PERTAINING TO AN EMPLOYEE OR OFFICER OF THE  
18 VENDOR THAT IS DESIGNATED BY THE APPLICANT AS THE PERSON  
19 RESPONSIBLE FOR THE VENDOR'S COMPLIANCE WITH THIS PART 15. IF THE  
20 VENDOR DERIVES MORE THAN FIFTY PERCENT OF ITS REVENUE FROM THE  
21 SALE OF PORTABLE ELECTRONICS INSURANCE, THE VENDOR SHALL  
22 PROVIDE THE LOCATION OF THE HOME OFFICE, NAME, RESIDENCE ADDRESS,  
23 AND OTHER INFORMATION REQUIRED BY THE COMMISSIONER FOR ALL  
24 OFFICERS, DIRECTORS, AND SHAREHOLDERS OF RECORD HAVING  
25 BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF ANY CLASS OF  
26 SECURITIES REGISTERED UNDER THE FEDERAL SECURITIES LAWS.

27 (2) FOR PURPOSES OF COMPLYING WITH SECTION 10-2-404 (2) (d),

1 THE LICENSED PRODUCER DESIGNATED BY AN APPLICANT IS NOT REQUIRED  
2 TO BE AN OFFICER, PARTNER, EMPLOYEE, OR DIRECTOR OF THE APPLICANT.

3 (3) AN APPLICANT FOR A LICENSE PURSUANT TO THIS PART 15 IS  
4 EXEMPT FROM THE REQUIREMENTS OF SECTIONS 10-2-404 (2) (f) AND  
5 10-2-406.

6 (4) ANY VENDOR ENGAGING IN PORTABLE ELECTRONICS  
7 INSURANCE TRANSACTIONS ON OR BEFORE THE EFFECTIVE DATE OF THIS  
8 PART 15 SHALL APPLY FOR LICENSURE WITHIN NINETY DAYS AFTER THE  
9 EFFECTIVE DATE OF THIS PART 15. ANY APPLICANT COMMENCING  
10 OPERATIONS AFTER THE EFFECTIVE DATE OF THIS PART 15 SHALL OBTAIN  
11 A LICENSE BEFORE OFFERING PORTABLE ELECTRONICS INSURANCE.

12 **SECTION 2. Act subject to petition - effective date.** This act  
13 takes effect January 1, 2013; except that, if a referendum petition is filed  
14 pursuant to section 1 (3) of article V of the state constitution against this  
15 act or an item, section, or part of this act within the ninety-day period  
16 after final adjournment of the general assembly, then the act, item,  
17 section, or part will not take effect unless approved by the people at the  
18 general election to be held in November 2012 and, in such case, will take  
19 effect on January 1, 2013, or on the date of the official declaration of the  
20 vote thereon by the governor, whichever is later.