


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Note: This fiscal note is provided pursuant to Joint Rule 22 (b) (2) and reflects strike-below Amendment L.001.

Drafting Number: LLS 12-0299	Date: February 1, 2012
Prime Sponsor(s): Rep. Liston Sen. Jahn	Bill Status: House Economic & Business Development Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING PORTABLE ELECTRONICS INSURANCE.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: January 1, 2013, unless a referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

Portable electronics insurance provides coverage for the repair or replacement of portable electronic devices due to loss, theft, mechanical failure or malfunction, or other similar causes of loss. This bill allows an employee or authorized representative of a vendor of portable electronic devices, to sell insurance on those devices as long as certain conditions are met. Vendors are required to obtain a limited lines producer license, train their employees on portable electronics insurance, and provide informational materials to consumers. A vendor may compensate its employees or authorized representatives for sales of portable electronics insurance but must not compensate them based primarily on the number of customers enrolled for coverage. A supervising entity, which can be an insurance company or insurance producer authorized by an insurance company, must supervise the administration of any portable electronics insurance program. The supervising entity must maintain a registry of authorized vendor locations which shall be open for inspection and examination by the Commissioner of Insurance.

State Expenditures

This bill is expected to result in an increase in rulemaking workload for the Division of Insurance in the Department of Regulatory Agencies. The amount of legal services hours required for rulemaking is expected to be less than 60 hours which can be addressed within existing appropriations. This legislation has been implemented in 22 other states. These states are licensing approximately 15 vendors, primarily wireless phone providers. Assuming this will be the case for

Colorado as well, any change to agency workload is expected to be minimal. Further, these policies are currently written in Colorado by licensed producers. Allowing vendor employees to sell these policies is not expected to significantly change the number of policies written. If these expectations are exceeded, the fiscal note assumes that the department will seek additional funding through the annual budget process.

Departments Contacted

Regulatory Agencies

Law