

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 2, 2012
Date

Committee on Economic and Business Development.

After consideration on the merits, the Committee recommends the following:

HB12-1071 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

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

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

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

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

14 (3) "INSURER" MEANS ANY ADMITTED COMPANY OR AUTHORIZED
15 COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT
16 INSURANCE IN THIS STATE.

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

20 (5) "PORTABLE ELECTRONICS" MEANS PERSONAL,
21 SELF-CONTAINED, EASILY CARRIED BY AN INDIVIDUAL,
22 BATTERY-OPERATED ELECTRONIC COMMUNICATION, VIEWING, LISTENING,
23 RECORDING, GAMING, COMPUTING, OR GLOBAL POSITIONING DEVICES,

1 INCLUDING CELL OR SATELLITE PHONES, PAGERS, PERSONAL GLOBAL
2 POSITIONING SATELLITE UNITS, PORTABLE COMPUTERS, PORTABLE AUDIO
3 LISTENING, WIRELESS DEVICES, VIDEO VIEWING OR RECORDING DEVICES,
4 DIGITAL CAMERAS, VIDEO CAMCORDERS, PORTABLE GAMING SYSTEMS,
5 DOCKING STATIONS, AUTOMATIC ANSWERING DEVICES, AND OTHER
6 SIMILAR DEVICES AND THEIR ACCESSORIES, AND SERVICE RELATED TO THE
7 USE OF SUCH DEVICES.

8 (6) (a) "PORTABLE ELECTRONICS INSURANCE" MEANS INSURANCE
9 THAT PROVIDES COVERAGE FOR THE REPAIR OR REPLACEMENT OF
10 PORTABLE ELECTRONICS THAT MAY PROVIDE COVERAGE FOR PORTABLE
11 ELECTRONICS AGAINST ANY ONE OR MORE OF THE FOLLOWING CAUSES OF
12 LOSS:

- 13 (I) Loss;
- 14 (II) THEFT;
- 15 (III) INOPERABILITY DUE TO MECHANICAL FAILURE OR
16 MALFUNCTION;
- 17 (IV) DAMAGE; OR
- 18 (V) OTHER SIMILAR CAUSES OF LOSS.

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

20 (I) A SERVICE CONTRACT OR EXTENDED WARRANTY THAT
21 PROVIDES COVERAGE LIMITED TO THE REPAIR, REPLACEMENT, OR
22 MAINTENANCE OF PROPERTY FOR THE OPERATIONAL OR STRUCTURAL
23 FAILURE OF PROPERTY DUE TO A DEFECT IN MATERIALS, WORKMANSHIP,
24 ACCIDENTAL DAMAGE FROM HANDLING, POWER SURGES, OR NORMAL
25 WEAR AND TEAR;

26 (II) A SERVICE CONTRACT THAT IS IN EFFECT AS OF THE EFFECTIVE
27 DATE OF THIS PART 15 THAT PROVIDES COVERAGE FOR THE LOSS OF
28 PORTABLE ELECTRONICS ASSOCIATED WITH AN ONGOING SERVICE
29 RELATIONSHIP BETWEEN A VENDOR AND A CONSUMER OR THAT IS
30 OTHERWISE REGULATED PURSUANT TO RULES PROMULGATED BY THE
31 COMMISSIONER;

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

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

36 (7) "PORTABLE ELECTRONICS TRANSACTION" MEANS:

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

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

41 (8) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY THAT IS A

1 LICENSED INSURER OR INSURANCE PRODUCER THAT IS AUTHORIZED BY AN
2 INSURER TO SUPERVISE THE ADMINISTRATION OF A PORTABLE
3 ELECTRONICS INSURANCE PROGRAM.

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

6 **10-4-1502. Licensure of vendors.** (1) A VENDOR SHALL HOLD A
7 LIMITED LINES PRODUCER LICENSE ISSUED BY THE DIVISION IN
8 ACCORDANCE WITH PART 4 OF ARTICLE 2 OF THIS TITLE IN ORDER TO SELL
9 OR OFFER COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS
10 INSURANCE.

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

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

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

28 **10-4-1503. Requirements for sale of portable electronics**
29 **insurance.** (1) AT EVERY LOCATION WHERE PORTABLE ELECTRONICS
30 INSURANCE IS OFFERED TO CUSTOMERS, THE VENDOR SHALL MAKE
31 BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO A PROSPECTIVE
32 CUSTOMER THAT:

33 (a) DISCLOSE THAT PORTABLE ELECTRONICS INSURANCE MAY
34 PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY A
35 CUSTOMER'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE
36 POLICY, OR OTHER SOURCE OF COVERAGE;

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

40 (c) SUMMARIZE THE MATERIAL TERMS OF THE INSURANCE
41 COVERAGE, INCLUDING:

1 (I) THE IDENTITY OF THE INSURER;
2 (II) THE IDENTITY OF THE SUPERVISING ENTITY;
3 (III) THE AMOUNT OF ANY APPLICABLE DEDUCTIBLE AND HOW IT
4 IS TO BE PAID;
5 (IV) BENEFITS OF THE COVERAGE; AND
6 (V) KEY TERMS AND CONDITIONS OF COVERAGE, SUCH AS
7 WHETHER PORTABLE ELECTRONICS MAY BE REPAIRED OR REPLACED WITH
8 SIMILAR MAKE AND MODEL RECONDITIONED OR NONORIGINAL
9 MANUFACTURER PARTS OR EQUIPMENT;
10 (d) SUMMARIZE THE PROCESS FOR FILING A CLAIM, INCLUDING A
11 DESCRIPTION OF HOW TO RETURN PORTABLE ELECTRONICS AND THE
12 MAXIMUM FEE APPLICABLE IF THE CUSTOMER FAILS TO COMPLY WITH ANY
13 EQUIPMENT RETURN REQUIREMENTS; AND
14 (e) STATE THAT AN ENROLLED CUSTOMER MAY CANCEL
15 ENROLLMENT FOR COVERAGE UNDER A PORTABLE ELECTRONICS
16 INSURANCE POLICY AT ANY TIME, AND THAT THE PERSON PAYING THE
17 PREMIUM WILL RECEIVE A REFUND OF ANY APPLICABLE UNEARNED
18 PREMIUM.
19 (2) AN INSURER MAY OFFER PORTABLE ELECTRONICS INSURANCE
20 ON A MONTH-TO-MONTH OR OTHER PERIODIC BASIS AS A GROUP OR
21 MASTER COMMERCIAL INLAND MARINE POLICY ISSUED TO A VENDOR OF
22 PORTABLE ELECTRONICS FOR ITS ENROLLED CUSTOMERS.
23 (3) A POLICY OF INSURANCE PROVIDES PRIMARY COVERAGE IN THE
24 EVENT OF A COVERED LOSS UNDER MORE THAN ONE POLICY.
25 (4) EACH INSURER SHALL ESTABLISH ELIGIBILITY AND
26 UNDERWRITING STANDARDS FOR CUSTOMERS ELECTING TO ENROLL IN
27 COVERAGE FOR EACH PORTABLE ELECTRONICS INSURANCE PROGRAM.
28 **10-4-1504. Authority of vendors of portable electronics.**
29 (1) THE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF VENDORS
30 MAY SELL OR OFFER PORTABLE ELECTRONICS INSURANCE TO CUSTOMERS
31 AND ARE NOT SUBJECT TO LICENSURE AS AN INSURANCE PRODUCER UNDER
32 THIS TITLE IF:
33 (a) THE VENDOR OBTAINS A LIMITED LINES PRODUCER LICENSE TO
34 AUTHORIZE ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO SELL OR
35 OFFER PORTABLE ELECTRONICS INSURANCE PURSUANT TO THIS SECTION;
36 (b) THE INSURER ISSUING THE PORTABLE ELECTRONICS INSURANCE
37 EITHER DIRECTLY SUPERVISES, AUTHORIZES, OR APPOINTS A SUPERVISING
38 ENTITY TO SUPERVISE THE ADMINISTRATION OF THE PROGRAM, INCLUDING
39 DEVELOPMENT OF A TRAINING PROGRAM FOR EMPLOYEES AND
40 AUTHORIZED REPRESENTATIVES OF THE VENDORS. THE SUPERVISING
41 ENTITY SHALL INCLUDE THE FOLLOWING IN THE TRAINING PROGRAM,

1 WHICH MUST INCLUDE EMPLOYEES AND AUTHORIZED REPRESENTATIVES
2 OF VENDORS WHO ARE DIRECTLY ENGAGED IN THE ACTIVITY OF SELLING
3 OR OFFERING PORTABLE ELECTRONICS INSURANCE:

4 (I) A SUPPLEMENTAL EDUCATION PROGRAM REGARDING THE
5 PORTABLE ELECTRONICS INSURANCE PRODUCT THAT IS CONDUCTED AND
6 OVERSEEN BY LICENSED EMPLOYEES OF THE SUPERVISING ENTITY IF THE
7 TRAINING PROGRAM IS PROVIDED IN ELECTRONIC FORMAT; AND

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

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

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

23 (3) A VENDOR MAY BILL AND COLLECT CHARGES FOR PORTABLE
24 ELECTRONICS INSURANCE COVERAGE. A VENDOR SHALL SEPARATELY
25 ITEMIZE ANY CHARGE TO THE ENROLLED CUSTOMER FOR COVERAGE THAT
26 IS NOT INCLUDED IN THE COST ASSOCIATED WITH THE PURCHASE OR LEASE
27 OF PORTABLE ELECTRONICS AND ANY RELATED SERVICES. IF THE
28 PORTABLE ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE
29 PURCHASE OR LEASE OF PORTABLE ELECTRONICS OR RELATED SERVICES,
30 THE VENDOR SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE
31 ENROLLED CUSTOMER THAT THE PORTABLE ELECTRONICS INSURANCE
32 COVERAGE IS INCLUDED WITH THE PORTABLE ELECTRONICS OR RELATED
33 SERVICES. VENDORS BILLING AND COLLECTING THE CHARGES ARE NOT
34 REQUIRED TO MAINTAIN THE CHARGES IN A SEGREGATED ACCOUNT IF THE
35 VENDOR IS AUTHORIZED BY THE INSURER TO HOLD THE CHARGES IN AN
36 ALTERNATIVE MANNER AND REMITS THE CHARGES TO THE SUPERVISING
37 ENTITY WITHIN SIXTY DAYS AFTER RECEIPT. ALL CHARGES RECEIVED BY
38 A VENDOR FROM AN ENROLLED CUSTOMER FOR THE SALE OF PORTABLE
39 ELECTRONICS INSURANCE ARE HELD IN TRUST BY THE VENDOR IN A
40 FIDUCIARY CAPACITY FOR THE BENEFIT OF THE INSURER. VENDORS MAY
41 RECEIVE COMPENSATION FOR BILLING AND COLLECTION SERVICES.

1 **10-4-1505. Suspension or revocation of license.** (1) IF A
2 VENDOR OF PORTABLE ELECTRONICS OR ITS EMPLOYEE OR AUTHORIZED
3 REPRESENTATIVE VIOLATES THIS PART 15, THE COMMISSIONER MAY TAKE
4 DISCIPLINARY ACTION AGAINST THE VENDOR IN ACCORDANCE WITH PART
5 8 OF ARTICLE 2 OF THIS TITLE. A FINE IMPOSED AS DISCIPLINARY ACTION
6 SHALL NOT EXCEED FIVE THOUSAND DOLLARS IN THE AGGREGATE FOR
7 MULTIPLE VIOLATIONS ARISING FROM THE SAME OR SIMILAR CONDUCT.

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

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

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

15 **10-4-1506. Termination of portable electronics insurance.**

16 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

17 (a) (I) EXCEPT AS SPECIFIED IN SUBPARAGRAPHS (II) AND (III) OF
18 THIS PARAGRAPH (a), AN INSURER MAY TERMINATE OR OTHERWISE
19 CHANGE THE TERMS AND CONDITIONS OF A POLICY OF PORTABLE
20 ELECTRONICS INSURANCE ONLY UPON PROVIDING THE VENDOR AND
21 ENROLLED CUSTOMERS WITH AT LEAST THIRTY DAYS' NOTICE;

22 (II) AN INSURER MAY TERMINATE AN ENROLLED CUSTOMER'S
23 ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY UPON
24 FIFTEEN DAYS' NOTICE FOR NONPAYMENT OF PREMIUM OR FOR DISCOVERY
25 OF FRAUD OR MATERIAL MISREPRESENTATION IN OBTAINING COVERAGE OR
26 IN THE PRESENTATION OF A CLAIM UNDER THE POLICY;

27 (III) AN INSURER MAY IMMEDIATELY TERMINATE AN ENROLLED
28 CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE
29 POLICY:

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

32 (B) IF AN ENROLLED CUSTOMER EXHAUSTS THE AGGREGATE LIMIT
33 OF LIABILITY, IF ANY, UNDER THE TERMS OF THE PORTABLE ELECTRONICS
34 INSURANCE POLICY AND THE INSURER SENDS NOTICE OF TERMINATION TO
35 THE ENROLLED CUSTOMER WITHIN THIRTY CALENDAR DAYS AFTER
36 EXHAUSTION OF THE LIMIT. IF NOTICE IS NOT TIMELY SENT, ENROLLMENT
37 CONTINUES NOTWITHSTANDING THE AGGREGATE LIMIT OF LIABILITY UNTIL
38 THE INSURER SENDS NOTICE OF TERMINATION TO THE ENROLLED
39 CUSTOMER.

40 (b) IF THE INSURER CHANGES THE TERMS AND CONDITIONS, THEN
41 THE INSURER SHALL PROVIDE THE VENDOR WITH A REVISED POLICY OR

1 ENDORSEMENT AND SHALL PROVIDE EACH ENROLLED CUSTOMER WITH A
2 REVISED CERTIFICATE, ENDORSEMENT, UPDATED BROCHURE, OR OTHER
3 EVIDENCE INDICATING THAT A CHANGE IN THE TERMS AND CONDITIONS
4 HAS OCCURRED AND A SUMMARY OF THE MATERIAL CHANGES;

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

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

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

27 (III) IF THE NOTICE OR CORRESPONDENCE IS SENT BY ELECTRONIC
28 MEANS, THE INSURER SHALL SEND IT TO THE VENDOR AT THE VENDOR'S
29 ELECTRONIC MAIL ADDRESS SPECIFIED FOR SUCH PURPOSE AND TO ITS
30 AFFECTED ENROLLED CUSTOMERS' LAST-KNOWN ELECTRONIC MAIL
31 ADDRESS AS PROVIDED BY EACH ENROLLED CUSTOMER TO THE INSURER OR
32 VENDOR. THE INSURER OR VENDOR SHALL MAINTAIN PROOF THAT THE
33 NOTICE OR CORRESPONDENCE WAS SENT.

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

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

41 **10-4-1507. Application for license - fees.** (1) AN APPLICANT FOR

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

16 (2) FOR PURPOSES OF COMPLYING WITH SECTION 10-2-404 (2) (d),
17 THE LICENSED PRODUCER DESIGNATED BY AN APPLICANT IS NOT REQUIRED
18 TO BE AN OFFICER, PARTNER, EMPLOYEE, OR DIRECTOR OF THE APPLICANT.

19 (3) AN APPLICANT FOR A LICENSE PURSUANT TO THIS PART 15 IS
20 EXEMPT FROM THE REQUIREMENTS OF SECTIONS 10-2-404 (2) (f) AND
21 10-2-406.

22 (4) ANY VENDOR ENGAGING IN PORTABLE ELECTRONICS
23 INSURANCE TRANSACTIONS ON OR BEFORE THE EFFECTIVE DATE OF THIS
24 PART 15 SHALL APPLY FOR LICENSURE WITHIN NINETY DAYS AFTER THE
25 EFFECTIVE DATE OF THIS PART 15. ANY APPLICANT COMMENCING
26 OPERATIONS AFTER THE EFFECTIVE DATE OF THIS PART 15 SHALL OBTAIN
27 A LICENSE BEFORE OFFERING PORTABLE ELECTRONICS INSURANCE.

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

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