

IN THE SENATE

SENATE BILL NO. 1049

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO INSURANCE; AMENDING SECTION 41-1088, IDAHO CODE, TO REVISE PRO-
2 VISIONS REGARDING PORTABLE ELECTRONICS INSURANCE AND TO MAKE A TECHNICAL
3 CORRECTION.
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5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 41-1088, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 41-1088. TERMINATION OF PORTABLE ELECTRONICS INSURANCE. Notwith-
9 standing any other provision of law:

10 (1) An insurer may terminate or otherwise change the terms and condi-
11 tions of a policy of portable electronics insurance only upon providing the
12 policyholder and enrolled customers with at least thirty (30) days' notice.

13 (2) If the insurer changes the terms and conditions, then the insurer
14 shall provide the vendor policyholder with a revised policy or endorsement
15 and each enrolled customer with a revised certificate, endorsement, updated
16 brochure or other evidence indicating that a change in the terms and condi-
17 tions has occurred and a summary of material changes. An enrolled customer
18 shall be entitled to reject any change to the terms and conditions or cancel
19 coverage, and the person who paid the premium shall receive a pro rata refund
20 or credit of any applicable unearned premium within sixty (60) days of the
21 receipt of notice from the customer that he wishes to cancel coverage.

22 (3) Notwithstanding subsection (1) of this section, an insurer may ter-
23 minate an enrolled customer's enrollment under a portable electronics in-
24 surance policy upon fifteen (15) days' notice for discovery of fraud or ma-
25 terial misrepresentation in obtaining coverage or in the presentation of a
26 claim thereunder.

27 (4) Notwithstanding subsection (1) of this section, an insurer may
28 immediately terminate an enrolled customer's enrollment under a portable
29 electronics insurance policy:

30 (a) For nonpayment of premium;

31 (b) If the enrolled customer ceases to have an active service with the
32 vendor of portable electronics; or

33 (c) If an enrolled customer exhausts the aggregate limit of liability
34 under the terms of the portable electronics insurance policy and the
35 insurer sends notice of termination to the enrolled customer within
36 thirty (30) calendar days after exhaustion of the limit. However, if
37 notice is not timely sent, enrollment shall continue notwithstanding
38 the aggregate limit of liability until the insurer sends notice of
39 termination to the enrolled customer and specifies the date of such ter-
40 mination.

41 (5) Where a portable electronics insurance policy is terminated by a
42 policyholder, the policyholder shall mail or deliver written notice to each

1 enrolled customer advising the enrolled customer of the termination of the
2 policy and the effective date of termination. The written notice shall be
3 mailed or delivered to the enrolled customer at least thirty (30) days prior
4 to the termination, and any unearned premium shall be returned to the policy-
5 holder within sixty (60) days of such termination.

6 (6) An enrolled customer may cancel enrollment for coverage under a
7 portable electronics insurance policy at any time, and the person paying the
8 premium shall receive a pro rata refund or credit of any applicable unearned
9 premium within sixty (60) days of the receipt of notice of cancellation from
10 the customer.

11 (7) Whenever notice or correspondence with respect to a policy of
12 portable electronics insurance is required pursuant to the provisions of
13 this section or is otherwise required by law, it shall be in writing and sent
14 within the required notice period, if any, specified within the statute or
15 regulation requiring the notice or correspondence. Notwithstanding any
16 other provision of law, notices and correspondence may be sent either by
17 mail or by electronic means if agreed to by the customer pursuant to section
18 28-50-105, Idaho Code, and as set forth in this subsection. If the notice or
19 correspondence is mailed, it shall be sent to the vendor of portable elec-
20 tronics at the vendor's mailing address specified for such purpose and to
21 each affected enrolled customer's last known mailing address on file with
22 the insurer. The insurer or vendor of portable electronics, as the case may
23 be, shall maintain proof of mailing in a form authorized or accepted by the
24 United States postal service or other commercial mail delivery service. If
25 the notice or correspondence is sent by electronic means, it shall be sent
26 to the vendor of portable electronics at the vendor's electronic mail ad-
27 dress specified for such purpose and to each affected enrolled customer's
28 last known electronic mail address as provided by each enrolled customer to
29 the insurer or vendor of portable electronics at the time of purchase of the
30 portable electronics insurance coverage. For purposes of this subsection,
31 an enrolled customer's provision of an electronic mail address to the in-
32 surer or vendor of portable electronics shall be deemed consent to receive
33 notices and correspondence by electronic means at such address ~~so~~ as long
34 as notice of that consent is simultaneously provided to the customer within
35 thirty (30) days or less by mail or electronic means. The insurer or vendor
36 of portable electronics shall maintain proof that the notice or correspon-
37 dence was sent.

38 (8) Notice or correspondence required by this section or otherwise re-
39 quired by law may be sent on behalf of an insurer or vendor by the supervising
40 entity appointed by the insurer.