

House Research Act Summary

CHAPTER: 259 (H.F. 2638/S.F. 2310)

SESSION: 2012 Regular Session

TOPIC: Regulation of sale of portable electronics insurance

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Overview

This act fine-tunes legislation enacted in the past two years regulating insurance on portable electronic devices. This is insurance coverage that is typically offered in the store or online when a person buys a portable electronics product, such as a cell phone or other portable electronic device. An insurance claim for loss or damage to the item usually results in sending the customer a new one. This type of insurance is regulated by the Department of Commerce. A license to sell this type of insurance is called a "limited lines license." This act is effective January 1, 2013.

1 Sale of portable electronics insurance.

Subd. 1. Definitions. Clarifies the definition of "supervising agency," including changing the term's name to "supervising entity."

Subd. 2. Licensure of vendors. Specifies the information required to be on an application for a limited lines license to sell portable electronics insurance. Requires that vendors maintain a list of locations in the state at which the vendor sells portable electronics insurance.

Subd. 3. Requirements for sale of portable electronics insurance. Makes three technical changes.

Subd. 4. Authority of vendors of portable electronics. Makes changes relating to insurance sales training of employees of portable electronics vendors, including eliminating a requirement for in-person training, presumably to permit exclusively online training. Also specifies that the seller of this type of insurance must separately itemize any charges for insurance that is not included in the charge for the purchase or lease of the portable electronics or service. The new paragraph (c) deals with the matter of how the vendor, customer, and insurance company may contact each other after the item is purchased.