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HOUSE BILL NO. 1396

Offered January 9, 2013

Prefiled December 17, 2012

A BILL to amend and reenact § 38.2-1878 of the Code of Virginia, relating to portable electronics insurance; compensation.

 Patron—Marshall, D.W.

 Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-1878 of the Code of Virginia is amended and reenacted as follows:****§ 38.2-1878. Authority of vendors of portable electronics.**

A. The employees and authorized representatives of vendors may sell or offer portable electronics insurance to customers and shall not be subject to licensure as an insurance producer under this chapter provided that:

1. The vendor obtains a limited lines property and casualty insurance agent license;

2. The vendor selling the portable electronics insurance provides a training program for all employees and authorized representatives of the vendor. The training program shall consist of instruction about the portable electronics insurance offered to customers, the disclosures required under § 38.2-1877, and the conduct prohibited by § 38.2-512. The training required by this subdivision may be delivered in person or in an electronic form. The licensed producer designated by the vendor as being responsible for its compliance with the insurance laws, rules, and regulations of the Commonwealth, as required by § 38.2-1820, shall hold a property and casualty insurance agent license and shall supervise the administration of the training program required by this subdivision;

3. No employee or authorized representative of a vendor of portable electronics is compensated based primarily on the number of customers who purchase portable electronics insurance coverage but may receive compensation for activities under the limited lines license that is incidental to their overall compensation. ~~Such incidental compensation shall not exceed \$10 per customer who purchases portable electronics coverage;~~ and

4. The employee or authorized representative of the vendor of portable electronics insurance does not represent or otherwise hold himself out as a licensed insurance producer.

B. The license authority of any vendor licensed as a limited lines property and casualty producer selling portable electronics insurance shall terminate immediately if the sole licensed responsible producer designated for the vendor's compliance with the insurance laws, rules, and regulations of the Commonwealth is removed for any reason, a new responsible producer has not been appointed, and the Commission notified within 30 calendar days of such removal and of the newly designated responsible producer.

C. A vendor shall report any violation of this article to the Commissioner within 30 days of discovery of the violation by the vendor.

D. Any charge to the customer for portable electronics insurance that is not included in the cost associated with the purchase or lease of portable electronics or related services shall be separately itemized on the customer's bill. If the charge for portable electronics insurance is included in the cost associated with the purchase or lease of portable electronics or related services, the vendor shall clearly and conspicuously disclose to the customer that the charge for the portable electronics or services covers the cost of the insurance.

E. The charges for portable electronics insurance coverage may be billed and collected by the vendor of portable electronics insurance. Vendors billing and collecting premiums for portable electronics insurance shall be required to comply with the provisions of § 38.2-1813. Vendors may receive compensation for billing and collection services.

F. Notwithstanding any other provision of law, applicants for licensure pursuant to this article whose home state does not issue a producer license with a similar line of authority as the license authorized by this article shall be issued a limited lines property and casualty license for portable electronics insurance. Any licensee whose home state does not have property and casualty limited lines for portable electronics insurance or similar line of authority in its home state after July 1, 2014, or such later date as may be determined by the Commission, shall obtain a full property and casualty license or its license shall terminate in Virginia. For purposes of this subsection, "home state" means the District of Columbia and any state or territory of the United States except Virginia, or any province of Canada, in which an applicant maintains such person's principal place of residence or principal place of business.

INTRODUCED

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