

1-1 By: Hancock (Senate Sponsor - Eltife) H.B. No. 2569
1-2 (In the Senate - Received from the House April 16, 2009;
1-3 April 16, 2009, read first time and referred to Committee on
1-4 Business and Commerce; May 6, 2009, reported favorably by the
1-5 following vote: Yeas 7, Nays 0; May 6, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to a specialty insurance agent license for certain vendors
1-9 of portable electronic devices.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter F, Chapter 4055, Insurance Code, is
1-12 amended to read as follows:

1-13 SUBCHAPTER F. PORTABLE ELECTRONIC [TELECOMMUNICATIONS EQUIPMENT]
1-14 VENDOR LICENSE

1-15 Sec. 4055.251. DEFINITIONS. In this subchapter:

1-16 (1) "Customer" means a person who purchases a portable
1-17 electronic device or a related service [telecommunications
1-18 equipment in a retail sales transaction].

1-19 (2) "Portable electronic devices" means personal,
1-20 self-contained, easily carried by an individual, battery-operated
1-21 electronic communication, viewing, listening, recording, gaming,
1-22 computing or global positioning devices, including cell or
1-23 satellite phones, pagers, personal global positioning satellite
1-24 units, portable computers, portable audio listening, video viewing
1-25 or recording devices, digital cameras, video camcorders, portable
1-26 gaming systems, docking stations, automatic answering devices, and
1-27 other similar devices and their accessories ["Telecommunications
1-28 equipment" includes handsets, pagers, automatic answering devices,
1-29 batteries, and other devices used to originate or receive wireless
1-30 communications exclusive of cordless, wireline communications].

1-31 (3) "Vendor" means a person or entity engaged in the
1-32 business of leasing, selling, or providing portable electronic
1-33 devices or related services to customers.

1-34 Sec. 4055.252. ISSUANCE OF LICENSE; LICENSE FEE. (a)
1-35 Notwithstanding any other provision of this chapter or this code,
1-36 the commissioner may issue a specialty license to a ~~retail~~ vendor
1-37 ~~[of telecommunications equipment]~~ who complies with this
1-38 subchapter. The specialty license may be issued only for the
1-39 limited purposes specified by this subchapter.

1-40 (b) A specialty license issued to a vendor under this
1-41 subchapter authorizes the vendor and any employee or authorized
1-42 representative of the vendor to offer the type of coverage
1-43 specified in this subchapter at each location at which the vendor
1-44 engages in business.

1-45 (c) The commissioner shall impose an annual license fee for
1-46 a specialty license issued under this subchapter. The commissioner
1-47 shall set the license fee in an amount reasonable and necessary to
1-48 cover the costs of administering this subchapter, not to exceed
1-49 \$5,000.

1-50 Sec. 4055.253. AUTHORITY OF [RETAIL] VENDOR OF PORTABLE
1-51 ELECTRONIC DEVICES [TELECOMMUNICATIONS EQUIPMENT]. A ~~retail~~
1-52 vendor ~~[of telecommunications equipment]~~ licensed under this
1-53 subchapter and the vendor's employee and authorized representative
1-54 ~~[chapter]~~ may act as an agent for an authorized insurer ~~[only.~~

1-55 ~~[(1)]~~ in connection with the sale and use of portable
1-56 electronic devices and related services only [telecommunications
1-57 equipment, and

1-58 ~~[(2)]~~ with respect to:

1-59 (1) [(A)] insurance coverage provided to customers
1-60 that covers portable electronic devices against one or more of the
1-61 following:

1-62 (A) loss;

1-63 (B) theft;

1-64 (C) mechanical failure;

2-1 (D) malfunction;
 2-2 (E) damage; or
 2-3 (F) other applicable perils [~~for the loss or~~
 2-4 ~~malfunction of or damage to telecommunications equipment~~]; or
 2-5 (2) the provision of [~~(B)~~] any other coverage the
 2-6 commissioner approves as meaningful and appropriate in connection
 2-7 with the use of portable electronic devices or related services
 2-8 [~~telecommunications equipment~~].

2-9 Sec. 4055.254. INSURANCE POLICY; REQUIREMENTS. (a)
 2-10 Insurance provided under this subchapter may be issued to a
 2-11 licensed vendor under a master or group policy of personal or
 2-12 commercial inland marine insurance. A customer may be designated
 2-13 as an additional insured or certificate holder under the policy.

2-14 (b) A licensed vendor shall provide to each customer
 2-15 designated as an additional insured or certificate holder a
 2-16 coverage form, certificate, or other evidence of coverage in a
 2-17 brochure or separate document.

2-18 Sec. 4055.255. REQUIRED TRAINING. (a) Notwithstanding
 2-19 Section 4055.012, an agent who holds a license issued under Chapter
 2-20 4051 or a substantially equivalent license issued under this code
 2-21 and who is appointed by the insurer that insures a vendor may:

2-22 (1) provide the materials for the training program
 2-23 required under Section 4055.012; and

2-24 (2) conduct the applicable training.

2-25 (b) An agent described by Subsection (a) shall submit the
 2-26 training program materials for approval as required under Section
 2-27 4055.012(c).

2-28 SECTION 2. The commissioner of insurance shall, by rule,
 2-29 establish a procedure under which a person holding a license as a
 2-30 telecommunications equipment vendor specialty agent that was
 2-31 issued under Subchapter F, Chapter 4055, Insurance Code, as it
 2-32 existed before amendment by this Act, may convert that license to a
 2-33 portable electronic device vendor specialty agent license under
 2-34 Subchapter F, Chapter 4055, Insurance Code, as amended by this Act,
 2-35 without further qualification. The rules may establish a reasonable
 2-36 period for the agent to comply with Section 4055.254, Insurance
 2-37 Code, as added by this Act.

2-38 SECTION 3. This Act takes effect September 1, 2009.

2-39 * * * * *