

By: Eltife

S.B. No. 881

A BILL TO BE ENTITLED

AN ACT

relating to a specialty insurance agent license for certain vendors of portable electronic devices.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

SUBCHAPTER F. PORTABLE ELECTRONIC [~~TELECOMMUNICATIONS EQUIPMENT~~]

VENDOR LICENSE

Sec. 4055.251. DEFINITIONS. In this subchapter:

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

(2) "Portable electronic devices" includes [~~"Telecommunications equipment" includes~~] handsets, pagers, personal digital assistants, portable global positioning system units, portable computers, portable audio listening devices, gaming systems, cameras, automatic answering devices, batteries, and other similar electronic devices and their accessories [~~used to originate or receive wireless communications exclusive of cordless, wireline communications~~].

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

Sec. 4055.252. ISSUANCE OF LICENSE; LICENSE FEE. (a)

1 Notwithstanding any other provision of this chapter or this code,
2 the commissioner may issue a specialty license to a [~~retail~~] vendor
3 [~~of telecommunications equipment~~] who complies with this
4 subchapter. The specialty license may be issued only for the
5 limited purposes specified by this subchapter.

6 (b) A specialty license issued to a vendor under this
7 subchapter authorizes the vendor and any employee or authorized
8 representative of the vendor to offer the type of coverage
9 specified in this subchapter at each location at which the vendor
10 engages in business.

11 (c) The commissioner shall impose an annual license fee for
12 a specialty license issued under this subchapter. The commissioner
13 shall set the license fee in an amount reasonable and necessary to
14 cover the costs of administering this subchapter, not to exceed
15 \$5,000.

16 Sec. 4055.253. AUTHORITY OF [~~RETAIL~~] VENDOR OF PORTABLE
17 ELECTRONIC DEVICES [~~TELECOMMUNICATIONS EQUIPMENT~~]. A [~~retail~~]
18 vendor [~~of telecommunications equipment~~] licensed under this
19 subchapter and the vendor's employee and authorized representative
20 [~~chapter~~] may act as an agent for an authorized insurer [~~only~~].

21 [~~(1)~~] in connection with the sale and use of portable
22 electronic devices and related services only [~~telecommunications~~
23 ~~equipment, and~~

24 [~~(2)~~] with respect to:

25 (1) [~~(A)~~] insurance coverage provided to customers
26 that covers portable electronic devices against one or more of the
27 following:

1 (A) loss;

2 (B) theft;

3 (C) mechanical failure;

4 (D) malfunction;

5 (E) damage; or

6 (F) other applicable perils [~~for the loss or~~
7 ~~malfunction of or damage to telecommunications equipment~~]; or

8 (2) the provision of [~~(B)~~] any other coverage the
9 commissioner approves as meaningful and appropriate in connection
10 with the use of portable electronic devices or related services
11 [~~telecommunications equipment~~].

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

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

21 Sec. 4055.255. REQUIRED TRAINING. (a) Notwithstanding
22 Section 4055.012, an agent who holds a license issued under Chapter
23 4051 or a substantially equivalent license issued under this code
24 and who is appointed by the insurer that insures a vendor may:

25 (1) provide the materials for the training program
26 required under Section 4055.012; and

27 (2) conduct the applicable training.

1 (b) An agent described by Subsection (a) shall submit the
2 training program materials for approval as required under Section
3 4055.012(c).

4 SECTION 2. The commissioner of insurance shall, by rule,
5 establish a procedure under which a person holding a license as a
6 telecommunications equipment vendor specialty agent that was
7 issued under Subchapter F, Chapter 4055, Insurance Code, as it
8 existed before amendment by this Act, may convert that license to a
9 portable electronic device vendor specialty agent license under
10 Subchapter F, Chapter 4055, Insurance Code, as amended by this Act,
11 without further qualification. The rules may establish a reasonable
12 period for the agent to comply with Section 4055.254, Insurance
13 Code, as added by this Act.

14 SECTION 3. This Act takes effect September 1, 2009.