

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0299.01 Kristen Forrestal x4217

HOUSE BILL 12-1071

HOUSE SPONSORSHIP

Liston,

SENATE SPONSORSHIP

Jahn,

House Committees
Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 CONCERNING PORTABLE ELECTRONICS INSURANCE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires a vendor of portable electronics to hold a limited license to sell or offer portable electronics insurance. The limited license authorizes an employee or authorized representative of the vendor to sell or offer coverage to customers at each vendor location.

Each vendor is required to make written materials available to customers that:

! Disclose that portable electronics insurance may provide

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- duplicate coverage;
- ! State that the purchase of coverage is not required;
- ! Summarize the material terms of the insurance;
- ! Summarize the process for filing a claim; and
- ! State that the coverage may be cancelled at any time.

The bill outlines the criteria that a person must meet in order to sell portable electronics insurance without a limited license. The bill outlines the billing and collections procedures for vendors.

Each vendor who violates the terms for selling portable electronics insurance is subject to fines and suspension or revocation of the privilege of selling the insurance. A vendor is permitted to terminate coverage with the required notice upon discovery of fraud or misrepresentation by the customer, for nonpayment of the premium, if the customer no longer has active service with the vendor, or if the customer exhausts the aggregate limit of liability. The bill outlines notice requirements for correspondence between the vendor and the customer.

The commissioner of insurance is required to prescribe an application for insurance and accept applications from the vendors. Each vendor is required to pay a fee to the commissioner for a limited license.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 15 to article
3 4 of title 10 as follows:

4 **PART 15**

5 **PORTABLE ELECTRONICS INSURANCE**

6 **10-4-1501. Definitions.** AS USED IN THIS PART 15, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "CUSTOMER" MEANS A PERSON WHO PURCHASES PORTABLE
9 ELECTRONICS OR SERVICES.

10 (2) "ENROLLED CUSTOMER" MEANS A CUSTOMER WHO ELECTS
11 COVERAGE UNDER A PORTABLE ELECTRONICS INSURANCE POLICY ISSUED
12 TO A VENDOR OF PORTABLE ELECTRONICS.

13 (3) "LOCATION" MEANS ANY PHYSICAL LOCATION IN THIS STATE OR
14 ANY WEB SITE, CALL CENTER SITE, OR SIMILAR LOCATION DIRECTED TO

1 RESIDENTS OF THIS STATE.

2 (4) "PORTABLE ELECTRONICS" MEANS ELECTRONIC DEVICES THAT
3 ARE PORTABLE IN NATURE AND THE ACCESSORIES AND SERVICES RELATED
4 TO THE USE OF THE DEVICE.

5 (5) (a) "PORTABLE ELECTRONICS INSURANCE" MEANS INSURANCE
6 THAT PROVIDES COVERAGE FOR THE REPAIR OR REPLACEMENT OF
7 PORTABLE ELECTRONICS THAT MAY PROVIDE COVERAGE FOR PORTABLE
8 ELECTRONICS AGAINST ANY ONE OR MORE OF THE FOLLOWING CAUSES OF
9 LOSS:

10 (I) LOSS;

11 (II) THEFT;

12 (III) INOPERABILITY DUE TO MECHANICAL FAILURE OR
13 MALFUNCTION;

14 (IV) DAMAGE; OR

15 (V) OTHER SIMILAR CAUSES OF LOSS.

16 (b) "PORTABLE ELECTRONICS INSURANCE" DOES NOT INCLUDE:

17 (I) A SERVICE CONTRACT OR EXTENDED WARRANTY THAT
18 PROVIDES COVERAGE LIMITED TO THE REPAIR, REPLACEMENT, OR
19 MAINTENANCE OF PROPERTY FOR THE OPERATIONAL OR STRUCTURAL
20 FAILURE OF PROPERTY DUE TO A DEFECT IN MATERIALS, WORKMANSHIP,
21 ACCIDENTAL DAMAGE FROM HANDLING, POWER SURGES, OR NORMAL
22 WEAR AND TEAR;

23 (II) A POLICY OF INSURANCE COVERING A SELLER'S OR
24 MANUFACTURER'S OBLIGATIONS UNDER A WARRANTY; OR

25 (III) A HOMEOWNER'S, RENTER'S, PRIVATE PASSENGER
26 AUTOMOBILE, COMMERCIAL MULTI-PERIL, OR SIMILAR POLICY.

27 (6) "PORTABLE ELECTRONICS TRANSACTION" MEANS:

1 (a) THE SALE OR LEASE OF PORTABLE ELECTRONICS BY A VENDOR
2 TO A CUSTOMER; OR

3 (b) THE SALE OF A SERVICE RELATED TO THE USE OF PORTABLE
4 ELECTRONICS BY A VENDOR TO A CUSTOMER.

5 (7) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY THAT IS A
6 LICENSED INSURER OR INSURANCE PRODUCER THAT IS AUTHORIZED BY AN
7 INSURER TO SUPERVISE THE ADMINISTRATION OF A PORTABLE
8 ELECTRONICS INSURANCE PROGRAM.

9 (8) "VENDOR" MEANS A PERSON IN THE BUSINESS OF ENGAGING IN
10 PORTABLE ELECTRONICS TRANSACTIONS DIRECTLY OR INDIRECTLY.

11 **10-4-1502. Licensure of vendors.** (1) A VENDOR SHALL HOLD A
12 LIMITED LINES LICENSE ISSUED BY THE DIVISION TO SELL OR OFFER
13 COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS INSURANCE.

14 (2) A LIMITED LINES LICENSE ISSUED FOR THE PURPOSES OF THIS
15 PART 15 AUTHORIZES AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF
16 THE VENDOR TO SELL OR OFFER COVERAGE UNDER A POLICY OF PORTABLE
17 ELECTRONICS INSURANCE TO A CUSTOMER AT EACH LOCATION AT WHICH
18 THE VENDOR ENGAGES IN PORTABLE ELECTRONICS TRANSACTIONS.

19 (3) THE SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF
20 VENDOR LOCATIONS THAT ARE AUTHORIZED TO SELL OR SOLICIT PORTABLE
21 ELECTRONICS INSURANCE COVERAGE IN THIS STATE. UPON REQUEST BY
22 THE COMMISSIONER AND WITH TEN DAYS' NOTICE TO THE SUPERVISING
23 ENTITY, THE SUPERVISING ENTITY SHALL MAKE THE REGISTRY OPEN TO
24 INSPECTION AND EXAMINATION BY THE COMMISSIONER DURING REGULAR
25 BUSINESS HOURS OF THE SUPERVISING ENTITY.

26 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE
27 ISSUED PURSUANT TO THIS PART 15 AUTHORIZES THE LICENSEE AND ITS

1 EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ENGAGE IN THOSE
2 ACTIVITIES THAT ARE PERMITTED IN THIS PART 15.

3 **10-4-1503. Requirements for sale of portable electronics**

4 **insurance.** (1) AT EVERY LOCATION WHERE PORTABLE ELECTRONICS
5 INSURANCE IS OFFERED TO CUSTOMERS, THE VENDOR SHALL MAKE
6 BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO A PROSPECTIVE
7 CUSTOMER THAT:

8 (a) DISCLOSE THAT PORTABLE ELECTRONICS INSURANCE MAY
9 PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY A
10 CUSTOMER'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE
11 POLICY, OR OTHER SOURCE OF COVERAGE;

12 (b) STATE THAT THE ENROLLMENT BY THE CUSTOMER IN A
13 PORTABLE ELECTRONICS INSURANCE PROGRAM IS NOT REQUIRED IN ORDER
14 TO PURCHASE OR LEASE PORTABLE ELECTRONICS OR SERVICES;

15 (c) SUMMARIZE THE MATERIAL TERMS OF THE INSURANCE
16 COVERAGE, INCLUDING:

17 (I) THE IDENTITY OF THE INSURER;

18 (II) THE IDENTITY OF THE SUPERVISING ENTITY;

19 (III) THE AMOUNT OF ANY APPLICABLE DEDUCTIBLE AND HOW IT
20 IS TO BE PAID;

21 (IV) BENEFITS OF THE COVERAGE; AND

22 (V) KEY TERMS AND CONDITIONS OF COVERAGE, SUCH AS
23 WHETHER PORTABLE ELECTRONICS MAY BE REPAIRED OR REPLACED WITH
24 SIMILAR MAKE AND MODEL RECONDITIONED OR NONORIGINAL
25 MANUFACTURER PARTS OR EQUIPMENT;

26 (d) SUMMARIZE THE PROCESS FOR FILING A CLAIM, INCLUDING A
27 DESCRIPTION OF HOW TO RETURN PORTABLE ELECTRONICS AND THE

1 MAXIMUM FEE APPLICABLE IF THE CUSTOMER FAILS TO COMPLY WITH ANY
2 EQUIPMENT RETURN REQUIREMENTS; AND

3 (e) STATE THAT AN ENROLLED CUSTOMER MAY CANCEL
4 ENROLLMENT FOR COVERAGE UNDER A PORTABLE ELECTRONICS
5 INSURANCE POLICY AT ANY TIME, AND THAT THE PERSON PAYING THE
6 PREMIUM WILL RECEIVE A REFUND OF ANY APPLICABLE UNEARNED
7 PREMIUM.

8 (2) AN INSURER MAY OFFER PORTABLE ELECTRONICS INSURANCE
9 ON A MONTH-TO-MONTH OR OTHER PERIODIC BASIS AS A GROUP OR
10 MASTER COMMERCIAL INLAND MARINE POLICY ISSUED TO A VENDOR OF
11 PORTABLE ELECTRONICS FOR ITS ENROLLED CUSTOMERS.

12 (3) EACH INSURER SHALL ESTABLISH ELIGIBILITY AND
13 UNDERWRITING STANDARDS FOR CUSTOMERS ELECTING TO ENROLL IN
14 COVERAGE FOR EACH PORTABLE ELECTRONICS INSURANCE PROGRAM.

15 **10-4-1504. Authority of vendors of portable electronics.**

16 (1) THE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF VENDORS
17 MAY SELL OR OFFER PORTABLE ELECTRONICS INSURANCE TO CUSTOMERS
18 AND ARE NOT SUBJECT TO LICENSURE AS AN INSURANCE PRODUCER UNDER
19 THIS TITLE IF:

20 (a) THE VENDOR OBTAINS A LIMITED LINES LICENSE TO AUTHORIZE
21 ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO SELL OR OFFER
22 PORTABLE ELECTRONICS INSURANCE PURSUANT TO THIS SECTION;

23 (b) THE INSURER ISSUING THE PORTABLE ELECTRONICS INSURANCE
24 EITHER DIRECTLY SUPERVISES, AUTHORIZES, OR APPOINTS A SUPERVISING
25 ENTITY TO SUPERVISE THE ADMINISTRATION OF THE PROGRAM, INCLUDING
26 DEVELOPMENT OF A TRAINING PROGRAM FOR EMPLOYEES AND
27 AUTHORIZED REPRESENTATIVES OF THE VENDORS. THE SUPERVISING

1 ENTITY SHALL INCLUDE THE FOLLOWING IN THE TRAINING PROGRAM,
2 WHICH MUST INCLUDE EMPLOYEES AND AUTHORIZED REPRESENTATIVES
3 OF VENDORS WHO ARE DIRECTLY ENGAGED IN THE ACTIVITY OF SELLING
4 OR OFFERING PORTABLE ELECTRONICS INSURANCE:

5 (I) A SUPPLEMENTAL EDUCATION PROGRAM REGARDING THE
6 PORTABLE ELECTRONICS INSURANCE PRODUCT THAT IS CONDUCTED AND
7 OVERSEEN BY LICENSED EMPLOYEES OF THE SUPERVISING ENTITY IF THE
8 TRAINING PROGRAM IS PROVIDED IN ELECTRONIC FORMAT; AND

9 (II) THE RECEIPT OF INSTRUCTION TO EACH EMPLOYEE OR
10 AUTHORIZED REPRESENTATIVE ABOUT THE PORTABLE ELECTRONICS
11 INSURANCE OFFERED TO CUSTOMERS AND THE DISCLOSURES REQUIRED
12 UNDER SECTION 10-4-1503; AND

13 (c) THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A VENDOR
14 DOES NOT ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR
15 HERSELF OUT AS A NONLIMITED LINES LICENSED INSURANCE PRODUCER.

16 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A VENDOR
17 SHALL NOT COMPENSATE EMPLOYEES OR AUTHORIZED REPRESENTATIVES
18 OF A VENDOR BASED PRIMARILY ON THE NUMBER OF CUSTOMERS
19 ENROLLED FOR PORTABLE ELECTRONICS INSURANCE COVERAGE, BUT THE
20 VENDOR MAY COMPENSATE EMPLOYEES OR AUTHORIZED
21 REPRESENTATIVES FOR ACTIVITIES UNDER THE LIMITED LINES LICENSE AS
22 LONG AS THE COMPENSATION IS INCIDENTAL TO THE EMPLOYEE'S OR
23 AUTHORIZED REPRESENTATIVE'S OVERALL COMPENSATION.

24 (3) A VENDOR MAY BILL AND COLLECT CHARGES FOR PORTABLE
25 ELECTRONICS INSURANCE COVERAGE. A VENDOR SHALL SEPARATELY
26 ITEMIZE ANY CHARGE TO THE ENROLLED CUSTOMER FOR COVERAGE THAT
27 IS NOT INCLUDED IN THE COST ASSOCIATED WITH THE PURCHASE OR LEASE

1 OF PORTABLE ELECTRONICS AND ANY RELATED SERVICES. IF THE
2 PORTABLE ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE
3 PURCHASE OR LEASE OF PORTABLE ELECTRONICS OR RELATED SERVICES,
4 THE VENDOR SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE
5 ENROLLED CUSTOMER THAT THE PORTABLE ELECTRONICS INSURANCE
6 COVERAGE IS INCLUDED WITH THE PORTABLE ELECTRONICS OR RELATED
7 SERVICES. VENDORS BILLING AND COLLECTING THE CHARGES ARE NOT
8 REQUIRED TO MAINTAIN THE CHARGES IN A SEGREGATED ACCOUNT IF THE
9 VENDOR IS AUTHORIZED BY THE INSURER TO HOLD THE CHARGES IN AN
10 ALTERNATIVE MANNER AND REMITS THE CHARGES TO THE SUPERVISING
11 ENTITY WITHIN SIXTY DAYS AFTER RECEIPT. ALL CHARGES RECEIVED BY
12 A VENDOR FROM AN ENROLLED CUSTOMER FOR THE SALE OF PORTABLE
13 ELECTRONICS INSURANCE ARE HELD IN TRUST BY THE VENDOR IN A
14 FIDUCIARY CAPACITY FOR THE BENEFIT OF THE INSURER. VENDORS MAY
15 RECEIVE COMPENSATION FOR BILLING AND COLLECTION SERVICES.

16 **10-4-1505. Suspension or revocation of license.** (1) IF A
17 VENDOR OF PORTABLE ELECTRONICS OR ITS EMPLOYEE OR AUTHORIZED
18 REPRESENTATIVE VIOLATES THIS PART 15, THE COMMISSIONER MAY:

19 (a) AFTER NOTICE AND HEARING, IMPOSE FINES NOT TO EXCEED
20 FIVE HUNDRED DOLLARS PER VIOLATION OR FIVE THOUSAND DOLLARS IN
21 THE AGGREGATE FOR MULTIPLE VIOLATIONS ARISING FROM THE SAME OR
22 SIMILAR CONDUCT; OR

23 (b) AFTER NOTICE AND HEARING, IMPOSE OTHER PENALTIES THAT
24 THE COMMISSIONER DEEMS NECESSARY AND REASONABLE TO CARRY OUT
25 THE PURPOSE OF THIS PART 15, INCLUDING:

26 (I) SUSPENDING THE PRIVILEGE OF TRANSACTING PORTABLE
27 ELECTRONICS INSURANCE PURSUANT TO THIS PART 15 AT SPECIFIC

1 BUSINESS LOCATIONS WHERE VIOLATIONS HAVE OCCURRED; AND

2 (II) SUSPENDING OR REVOKING THE ABILITY OF INDIVIDUAL
3 EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ACT UNDER THE
4 LICENSE.

5 **10-4-1506. Termination of portable electronics insurance.**

6 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

7 (a) (I) EXCEPT AS SPECIFIED IN SUBPARAGRAPHS (II) AND (III) OF
8 THIS PARAGRAPH (a), AN INSURER MAY TERMINATE OR OTHERWISE
9 CHANGE THE TERMS AND CONDITIONS OF A POLICY OF PORTABLE
10 ELECTRONICS INSURANCE ONLY UPON PROVIDING THE VENDOR AND
11 ENROLLED CUSTOMERS WITH AT LEAST THIRTY DAYS' NOTICE;

12 (II) AN INSURER MAY TERMINATE AN ENROLLED CUSTOMER'S
13 ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY UPON
14 FIFTEEN DAYS' NOTICE FOR DISCOVERY OF FRAUD OR MATERIAL
15 MISREPRESENTATION IN OBTAINING COVERAGE OR IN THE PRESENTATION
16 OF A CLAIM UNDER THE POLICY;

17 (III) AN INSURER MAY IMMEDIATELY TERMINATE AN ENROLLED
18 CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE
19 POLICY:

20 (A) FOR NONPAYMENT OF PREMIUM;

21 (B) IF THE ENROLLED CUSTOMER CEASES TO HAVE AN ACTIVE
22 SERVICE WITH THE VENDOR OF PORTABLE ELECTRONICS; OR

23 (C) IF AN ENROLLED CUSTOMER EXHAUSTS THE AGGREGATE LIMIT
24 OF LIABILITY, IF ANY, UNDER THE TERMS OF THE PORTABLE ELECTRONICS
25 INSURANCE POLICY AND THE INSURER SENDS NOTICE OF TERMINATION TO
26 THE ENROLLED CUSTOMER WITHIN THIRTY CALENDAR DAYS AFTER
27 EXHAUSTION OF THE LIMIT. IF NOTICE IS NOT TIMELY SENT, ENROLLMENT

1 CONTINUES NOTWITHSTANDING THE AGGREGATE LIMIT OF LIABILITY UNTIL
2 THE INSURER SENDS NOTICE OF TERMINATION TO THE ENROLLED
3 CUSTOMER.

4 (b) IF THE INSURER CHANGES THE TERMS AND CONDITIONS, THEN
5 THE INSURER SHALL PROVIDE THE VENDOR WITH A REVISED POLICY OR
6 ENDORSEMENT AND SHALL PROVIDE EACH ENROLLED CUSTOMER WITH A
7 REVISED CERTIFICATE, ENDORSEMENT, UPDATED BROCHURE, OR OTHER
8 EVIDENCE INDICATING THAT A CHANGE IN THE TERMS AND CONDITIONS
9 HAS OCCURRED AND A SUMMARY OF THE MATERIAL CHANGES;

10 (c) WHEN A VENDOR TERMINATES A PORTABLE ELECTRONICS
11 INSURANCE POLICY, THE VENDOR SHALL MAIL OR DELIVER WRITTEN
12 NOTICE TO EACH ENROLLED CUSTOMER ADVISING THE ENROLLED
13 CUSTOMER OF THE TERMINATION OF THE POLICY AND THE EFFECTIVE DATE
14 OF TERMINATION. THE INSURER SHALL MAIL OR DELIVER WRITTEN NOTICE
15 TO THE ENROLLED CUSTOMER AT LEAST THIRTY DAYS BEFORE THE
16 TERMINATION.

17 (d) (I) WHENEVER NOTICE OR CORRESPONDENCE WITH RESPECT TO
18 A POLICY OF PORTABLE ELECTRONICS INSURANCE IS REQUIRED PURSUANT
19 TO THIS PART 15 OR IS OTHERWISE REQUIRED BY LAW, THE INSURER,
20 VENDOR, OR OTHER PERSON SHALL SEND IT IN WRITING WITHIN THE NOTICE
21 PERIOD, IF ANY, SPECIFIED WITHIN THE STATUTE OR RULE REQUIRING THE
22 NOTICE OR CORRESPONDENCE. NOTWITHSTANDING ANY OTHER PROVISION
23 OF LAW, AN INSURER, VENDOR, OR OTHER PERSON MAY SEND NOTICES AND
24 CORRESPONDENCE BY EITHER BY MAIL OR ELECTRONIC MEANS.

25 (II) IF THE NOTICE OR CORRESPONDENCE IS MAILED, THE INSURER
26 SHALL SEND IT TO THE VENDOR AT THE VENDOR'S MAILING ADDRESS
27 SPECIFIED FOR SUCH PURPOSE AND TO ITS AFFECTED ENROLLED

1 CUSTOMERS' LAST-KNOWN MAILING ADDRESSES ON FILE WITH THE
2 INSURER. THE INSURER OR VENDOR SHALL MAINTAIN PROOF OF MAILING
3 IN A FORM AUTHORIZED OR ACCEPTED BY THE UNITED STATES POSTAL
4 SERVICE OR OTHER COMMERCIAL MAIL DELIVERY SERVICE.

5 (III) IF THE NOTICE OR CORRESPONDENCE IS SENT BY ELECTRONIC
6 MEANS, THE INSURER SHALL SEND IT TO THE VENDOR AT THE VENDOR'S
7 ELECTRONIC MAIL ADDRESS SPECIFIED FOR SUCH PURPOSE AND TO ITS
8 AFFECTED ENROLLED CUSTOMERS' LAST-KNOWN ELECTRONIC MAIL
9 ADDRESS AS PROVIDED BY EACH ENROLLED CUSTOMER TO THE INSURER OR
10 VENDOR. THE INSURER OR VENDOR SHALL MAINTAIN PROOF THAT THE
11 NOTICE OR CORRESPONDENCE WAS SENT.

12 (IV) FOR PURPOSES OF THIS PARAGRAPH (d), AN ENROLLED
13 CUSTOMER'S PROVISION OF AN ELECTRONIC MAIL ADDRESS TO THE
14 INSURER OR VENDOR IS CONSENT TO RECEIVE NOTICES AND
15 CORRESPONDENCE BY ELECTRONIC MEANS.

16 (e) THE SUPERVISING ENTITY APPOINTED BY THE INSURER MAY
17 SEND NOTICE OR CORRESPONDENCE REQUIRED BY THIS SECTION OR
18 OTHERWISE REQUIRED BY LAW ON BEHALF OF AN INSURER OR VENDOR.

19 **10-4-1507. Application for license - fees.** (1) AN APPLICANT FOR
20 A LICENSE UNDER THIS PART 15 SHALL MAKE A SWORN APPLICATION AND
21 FILE IT WITH THE COMMISSIONER ON FORMS PRESCRIBED AND FURNISHED
22 BY THE COMMISSIONER.

23 (2) THE COMMISSIONER SHALL PRESCRIBE AN APPLICATION THAT
24 INCLUDES THE LOCATION OF THE APPLICANT'S HOME OFFICE AND THE
25 APPLICANT'S NAME, RESIDENCE ADDRESS, AND OTHER INFORMATION
26 REQUIRED BY THE COMMISSIONER FOR AN EMPLOYEE OR OFFICER OF THE
27 VENDOR THAT IS DESIGNATED BY THE APPLICANT AS THE PERSON

1 RESPONSIBLE FOR THE VENDOR'S COMPLIANCE WITH THIS PART 15. IF THE
2 VENDOR DERIVES MORE THAN FIFTY PERCENT OF ITS REVENUE FROM THE
3 SALE OF PORTABLE ELECTRONICS INSURANCE, THE VENDOR SHALL
4 PROVIDE THE INFORMATION NOTED ABOVE FOR ALL OFFICERS, DIRECTORS,
5 AND SHAREHOLDERS OF RECORD HAVING BENEFICIAL OWNERSHIP OF TEN
6 PERCENT OR MORE OF ANY CLASS OF SECURITIES REGISTERED UNDER THE
7 FEDERAL SECURITIES LAWS.

8 (3) ANY VENDOR ENGAGING IN PORTABLE ELECTRONICS
9 INSURANCE TRANSACTIONS ON OR BEFORE THE EFFECTIVE DATE OF THIS
10 PART 15 SHALL APPLY FOR LICENSURE WITHIN NINETY DAYS AFTER THE
11 COMMISSIONER MAKES THE APPLICATION AVAILABLE. ANY APPLICANT
12 COMMENCING OPERATIONS AFTER THE EFFECTIVE DATE OF THIS PART 15
13 SHALL OBTAIN A LICENSE BEFORE OFFERING PORTABLE ELECTRONICS
14 INSURANCE.

15 (4) LICENSES ISSUED PURSUANT TO THIS PART 15 ARE PERPETUAL
16 AND REMAIN IN EFFECT UNLESS REVOKED OR SUSPENDED AS LONG AS THE
17 CONTINUATION FEE, AS PRESCRIBED BY THE COMMISSIONER IN
18 ACCORDANCE WITH SECTION 10-2-413, IS PAID ON OR BEFORE THE DUE
19 DATE. THE COMMISSIONER SHALL ESTABLISH, BY RULE, THE
20 CONTINUATION DUE DATE AND APPLICATION PROCEDURES FOR
21 CONTINUATION OF THE LICENSE AND FOR ACCEPTANCE OF A LATE FILING
22 FEE.

23 (5) EACH VENDOR OF PORTABLE ELECTRONICS LICENSED UNDER
24 THIS PART 15 SHALL PAY TO THE DIVISION A LICENSURE AND
25 CONTINUATION FEE AS PRESCRIBED BY THE COMMISSIONER IN
26 ACCORDANCE WITH SECTION 10-2-413.

27 **SECTION 2. Act subject to petition - effective date.** This act

1 takes effect January 1, 2013; except that, if a referendum petition is filed
2 pursuant to section 1 (3) of article V of the state constitution against this
3 act or an item, section, or part of this act within the ninety-day period
4 after final adjournment of the general assembly, then the act, item,
5 section, or part will not take effect unless approved by the people at the
6 general election to be held in November 2012 and, in such case, will take
7 effect on January 1, 2013, or on the date of the official declaration of the
8 vote thereon by the governor, whichever is later.