

SENATE BILL NO. 496—COMMITTEE ON  
COMMERCE, LABOR AND ENERGY

MARCH 25, 2013

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises certain provisions governing portable electronics insurance. (BDR 57-1095)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; providing that a vendor of portable electronics is not required to have certain written materials concerning portable electronics insurance filed with or approved by the Commissioner of Insurance; allowing an insurer who issues a policy of portable electronics insurance to change a term or condition of the policy more than once in a 6-month period; allowing an insurer who issues a policy of portable electronics insurance to terminate the policy for nonpayment without first providing notice to the customer of the customer’s failure to pay a premium for the policy; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, portable electronics are portable electronic devices and  
2 their accessories, and portable electronics insurance is insurance to cover the cost of  
3 the repair or replacement of those devices and accessories. (NRS 691D.060,  
4 691D.070)  
5 Existing law requires a vendor of portable electronics to make available to  
6 prospective customers certain printed brochures or other written material  
7 concerning the coverage available under policies of portable electronics insurance.  
8 If a customer elects to enroll in coverage under a policy of portable electronics  
9 insurance, the printed brochures or other written material may serve as a certificate  
10 of coverage if the material satisfies certain requirements. (NRS 691D.310) **Section**  
11 **1** of this bill states that the printed brochures or other written material need not be  
12 filed with or approved by the Commissioner of Insurance. However, **section 1**  
13 requires that an insurer file a portable electronics insurance policy form with the  
14 Commissioner before the insurer uses the form.



15 Under existing law, an insurer who issues a policy of portable electronics  
16 insurance is restricted as to the manner in which the insurer may terminate the  
17 policy or change the terms of the policy. (NRS 691D.330) **Section 2** of this bill: (1)  
18 eliminates a provision which prohibits an insurer from changing a term or condition  
19 of a policy of portable electronics insurance more than once in any 6-month period;  
20 (2) reduces from 15 days to 10 days the period within which an insurer must notify  
21 a vendor and an enrolled customer of the insurer's intent to terminate an enrolled  
22 customer's coverage under a vendor's policy of portable electronics insurance after  
23 the discovery of fraud or material misrepresentation by the enrolled customer; and  
24 (3) allows an insurer to terminate an enrolled customer's coverage under a vendor's  
25 policy of portable electronics insurance for failure on the part of the customer to  
26 pay a premium, even if the insurer does not first notify the customer of the  
27 customer's failure to pay.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 691D.310 is hereby amended to read as  
2 follows:  
3 691D.310 1. A vendor shall make available to a prospective  
4 customer, at each location where the vendor sells or offers coverage  
5 under a policy of portable electronics insurance, a printed brochure  
6 or other written material concerning the coverage available under  
7 the policy of portable electronics insurance. The written material  
8 must:  
9 (a) Disclose that coverage under a policy of portable electronics  
10 insurance may duplicate coverage already provided to the customer  
11 by a policy of property insurance or other source of coverage;  
12 (b) State that the customer is not required to enroll for coverage  
13 under the vendor's policy of portable electronics insurance as a  
14 condition of the purchase or lease of any portable electronics or  
15 related services;  
16 (c) Summarize the material terms of the coverage provided  
17 under the policy of portable electronics insurance, including:  
18 (1) The identity of the insurer;  
19 (2) The identity of the supervising entity;  
20 (3) The amount of any applicable deductible and how it is to  
21 be paid;  
22 (4) Benefits of the coverage; and  
23 (5) Key terms and conditions of the coverage, including,  
24 without limitation, whether portable electronics may be repaired or  
25 replaced with a similar make and model that has been reconditioned  
26 or with nonoriginal manufacturer parts or equipment;  
27 (d) Summarize the process for filing a claim, including a  
28 description of how to return portable electronics and the maximum  
29 fee applicable if the enrolled customer fails to comply with any  
30 equipment return requirements; and



1 (e) State that the enrolled customer may cancel his or her  
2 enrollment for coverage under the policy of portable electronics  
3 insurance at any time and, in the event of such cancellation, the  
4 person paying the premium for the coverage will receive a refund of  
5 any applicable unearned premium.

6 2. ~~If a customer elects to enroll in coverage under a policy of~~  
7 ~~portable electronics insurance, the~~ *The* printed brochure or other  
8 written material ~~may serve as a certificate of coverage if the~~  
9 ~~material satisfies the requirements of subsection 1. A policy of~~ *that*  
10 *a vendor is required to make available to a prospective customer in*  
11 *accordance with subsection 1 need not be:*

12 (a) *Filed with the Commissioner; or*

13 (b) *Approved by the Commissioner.*

14 3. *An insurer must file a* portable electronics insurance ~~policy~~  
15 *form*, including the certificate of coverage ~~of the policy,~~  
16 ~~must be filed~~, *if applicable*, with the Commissioner not later than  
17 15 days before the ~~effective date of the policy.~~ *use of the form by*  
18 *the insurer.*

19 **Sec. 2.** NRS 691D.330 is hereby amended to read as follows:

20 691D.330 Notwithstanding any other provision of law:

21 1. Except as otherwise provided in this section, an insurer that  
22 issues a policy of portable electronics insurance may not terminate  
23 the policy before the expiration of the agreed term of the policy  
24 unless, not less than 30 days before the effective date of the  
25 termination, the insurer provides notice to:

26 (a) The holder of the policy of portable electronics insurance;  
27 and

28 (b) If the policy is a group policy issued to a vendor under  
29 which individual customers may elect to enroll for coverage, each  
30 enrolled customer.

31 2. ~~An insurer shall not change any term or condition of a~~  
32 ~~policy of portable electronics insurance more than once in any 6-~~  
33 ~~month period.~~ If the insurer changes a term or condition of a policy  
34 of portable electronics insurance, the insurer shall, not less than 30  
35 days before the effective date of the change, provide:

36 (a) The policyholder with a revised policy or endorsement;  
37 and

38 (b) Each enrolled customer with a revised certificate of  
39 coverage, endorsement, brochure or other evidence of coverage  
40 which:

41 (1) Declares that the insurer has changed a term or condition  
42 of the policy which may affect the enrolled customer's coverage;  
43 and

44 (2) Provides a summary of the material changes.



1 3. An insurer may terminate an enrolled customer's coverage  
2 under a vendor's policy of portable electronics insurance upon the  
3 discovery of fraud or material misrepresentation by the enrolled  
4 customer in obtaining the coverage or in presenting a claim  
5 thereunder if the insurer provides notice of the termination to the  
6 vendor and the enrolled customer within ~~{15}~~ 10 days after  
7 discovery of the fraud or material misrepresentation.

8 4. ~~{An insurer may terminate an enrolled customer's coverage  
9 under a vendor's policy of portable electronics insurance if the  
10 enrolled customer fails to pay a premium and the insurer gives the  
11 enrolled customer not less than 10 days' notice of his or her failure  
12 to pay the premium.~~

13 ~~5.~~ An insurer may immediately terminate an enrolled  
14 customer's coverage under a vendor's policy of portable electronics  
15 insurance ~~{~~ **if the enrolled customer:**

16 (a) ~~{If the enrolled customer ceases}~~ **Fails to pay a premium;**

17 **(b) Ceases** to have an active service with the vendor; or

18 ~~{(b) If the enrolled customer exhausts}~~

19 **(c) Exhausts** the aggregate limit of liability, if any, under the  
20 terms of the policy of portable electronics insurance and the insurer  
21 provides notice of termination to the customer within 30 calendar  
22 days after exhaustion of the limit. If the insurer fails to provide  
23 timely notice as required by this paragraph, the enrolled customer's  
24 coverage under the policy continues until the insurer provides notice  
25 of termination to the enrolled customer notwithstanding the  
26 exhaustion of the aggregate limit of liability.

27 ~~{6}~~ 5. A vendor or other holder of a group policy of portable  
28 electronics insurance shall not terminate the policy unless, not less  
29 than 30 days before the effective date of the termination, the insurer  
30 provides notice to each enrolled customer of the termination of the  
31 policy and the effective date of termination. An insurer may  
32 authorize a vendor to provide notice to an enrolled customer on  
33 behalf of the insurer pursuant to this subsection.

34 ~~{7}~~ 6. Any notice that is required pursuant to this section must  
35 be in writing and be:

36 (a) Mailed or delivered to the enrolled customer, vendor or other  
37 policyholder at his or her last known address; or

38 (b) Sent by electronic mail or other electronic means in  
39 accordance with regulations adopted by the Commissioner to the  
40 enrolled customer, vendor or other policyholder at the electronic  
41 mail address of the enrolled customer, vendor or other policyholder  
42 last known by the insurer.

43 ➤ An insurer or vendor who provides notice pursuant to this  
44 subsection must maintain proof of mailing or delivery in a form  
45 authorized or accepted by the United States Postal Service or other



- 1 commercial mail delivery service or an electronic record or other
- 2 proof that the notice was sent.

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