

HOUSE BILL No. 2106

By Committee on Insurance

1-28

1 AN ACT concerning insurance on portable electronics; amending K.S.A.
2 2012 Supp. 40-5607 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2012 Supp. 40-5607 is hereby amended to read as
6 follows: 40-5607. Notwithstanding any other provision of law:

7 (a) ~~An insurer may not change the terms and conditions of a policy of~~
8 ~~portable electronics insurance more than once in any six-month period.~~

9 (b) An insurer may not terminate an individually enrolled customer
10 based solely upon the age of such enrolled customer's covered portable
11 electronic device.

12 (c) If the insurer changes the terms and conditions of a policy, the
13 insurer shall provide the policyholder with a revised policy or endorsement
14 and each enrolled customer with a revised certificate, endorsement,
15 updated brochure or other evidence indicating a change in the terms and
16 conditions has occurred and a summary of material changes 30 days prior
17 to the end of the term of the policy.

18 (d) ~~Notwithstanding subsection (a),~~ An insurer may terminate an
19 enrolled customer's enrollment under a portable electronics insurance
20 policy upon 15 days notice for:

21 (1) Fraud or material misrepresentation in obtaining coverage or in
22 the presentation of a claim thereunder; or

23 (2) nonpayment of premium;

24 (e) ~~notwithstanding subsection (a),~~ An insurer may terminate an
25 enrolled customer's enrollment under a portable electronics insurance
26 policy immediately if:

27 (1) The enrolled customer ceases to have an active service with the
28 vendor of portable electronics; or

29 (2) an enrolled customer exhausts the aggregate limit of liability, if
30 any, under the terms of the portable electronics insurance policy and the
31 insurer sends notice of termination to the customer within 30 calendar days
32 after exhaustion of the limit. However, if notice is not timely sent,
33 enrollment shall continue notwithstanding the aggregate limit of liability
34 until the insurer sends notice of termination to the enrolled customer.

35 (f) Whenever notice is required pursuant to this section, it shall be
36 in writing and may be mailed or delivered to the vendor of portable

1 electronics devices at the vendor's mailing address and to its affected
2 enrolled customers' last known mailing addresses on file with the insurer.
3 The insurer or vendor of portable electronics, as the case may be, shall
4 maintain proof of mailing in a form authorized or accepted by the United
5 States postal service or other commercial mail delivery service.
6 Alternatively, an insurer or vendor policyholder may comply with any
7 notice required by this section by providing electronic notice to a vendor
8 or its affected enrolled customers, as the case may be, by electronic means.
9 If notice is accomplished through electronic means, the insurer or vendor
10 of portable electronics, as the case may be, shall maintain proof that the
11 notice was sent. Additionally, if an insurer or vendor policyholder provides
12 electronic notice to an affected enrolled customer and such delivery by
13 electronic means is not available or fails, the insurer or vendor
14 policyholder shall provide written notice to the enrolled customer by mail
15 in accordance with this section.

16 ~~(g)~~ (f) Notice or correspondence required by this section or otherwise
17 required by law may be sent on behalf of an insurer or vendor, as the case
18 may be, by the supervising entity appointed by the insurer.

19 ~~(h)~~ (g) Regardless of whether the insurer or the enrolled customer
20 terminates the policy the insurer shall return any unearned premium to the
21 customer without requiring the consumer to request it. The unearned
22 premium shall be calculated on a pro rata basis such that the enrolled
23 customer pays for the actual number of days of coverage. No penalty for
24 early termination may be charged. A return or refund of any applicable
25 unearned premium may be accomplished by crediting the billing
26 mechanism used to pay the premium so long as there is a balance for
27 which to apply the credit.

28 Sec. 2. K.S.A. 2012 Supp. 40-5607 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its
30 publication in the statute book.