CHAPTER 97

AN ACT HB 2346

Relating to notice required in connection with portable electronics insurance policies; creating new provisions; amending ORS 646A.588; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 646A.588 is amended to read:

646A.588. (1) Except as provided in subsections (2) and (3) of this section, [*the*] **an** insurer or [*the*] **a** supervising entity that [*has*] issued a policy of portable electronics insurance to a vendor policyholder may not modify or terminate the terms and conditions of the policy unless the insurer or the supervising entity:

(a) Provides the vendor policyholder and enrolled customers with notice of the modification or termination not less than 60 days [*prior to*] **before** the effective date of the modification or termination; and

(b) In the event of a modification only, provides:

(A) The vendor policyholder with a revised policy or endorsement [*evidencing*] **that is evidence of** the modification; and

(B) Each enrolled customer with a revised certificate, endorsement or other evidence of a change in terms and conditions, updated written materials and a summary of the material changes to the terms and conditions of coverage.

(2)(a) An insurer or a supervising entity may terminate an enrolled customer's portable electronics insurance coverage:

(A) Upon [*discovery of*] **discovering** fraud or material misrepresentation [*made by*] the enrolled customer **made** in obtaining the coverage or in [*the presentation of*] **presenting** a claim; or

(B) For nonpayment of a premium.

(b) The insurer or the supervising entity must notify the enrolled customer at least 15 days before a termination under this subsection.

(3) An insurer or a supervising entity may immediately terminate an enrolled customer's portable electronics insurance coverage if the enrolled customer ceases to have active wireless service with the vendor policyholder or the enrolled customer exhausts the aggregate limit of liability, and the insurer or the supervising entity sends notice of termination to the enrolled customer within 30 days after the active service ceases or the limit has been exhausted.

(4) A vendor policyholder that has issued portable electronics insurance coverage to an enrolled customer may not terminate the coverage unless the vendor policyholder provides the enrolled customer with notice of the termination not less than 30 days [*prior to*] **before** the effective date of the termination. **The supervising entity may provide notice under this subsection on the vendor policyholder's behalf.**

(5)(a) Notice **or correspondence** to a vendor policyholder or enrolled customer that is required under this section**, or that is otherwise required by law,** may either be sent as an electronic record in accordance with ORS 84.001 to 84.061 and 84.070, or:

(A) In the case of a vendor policyholder, mailed [*by registered or certified mail*] or delivered to the vendor policyholder at the vendor policyholder's principal place of business in this state; or

(B) In the case of an enrolled customer, mailed [*by registered or certified mail*] **or delivered** to the enrolled customer's last known mailing address.

(b) An enrolled customer consents to receive a notice or correspondence with respect to a policy of portable electronics insurance by electronic means if, after the insurer, the insurer's agent or the vendor that sold the portable electronics notifies the enrolled customer that providing an electronic mail address to the insurer, the insurer's agent or the vendor is consent to receive the notice or correspondence by electronic means, the enrolled customer provides an electronic mail address to the insurer, the insurer's agent or the vendor.

[*(b)*] **(c)** An insurer, a supervising entity or a vendor policyholder [*providing*] **that provides** notice **or sends correspondence** under this section [*must*] **shall** maintain proof of providing the notice **or sending the correspondence** for a minimum of three years after the termination of the portable electronics insurance coverage. **Proof of mailing or delivery to the enrolled customer's last known mailing address or electronic mailing address is sufficient proof of providing the notice or sending the correspondence.**

SECTION 2. The amendments to ORS 646A.588 by section 1 of this 2013 Act apply to policies of portable electronics insurance that an insurer or supervising entity issues to a vendor policyholder on or after the effective date of this 2013 Act.

SECTION 3. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Approved by the Governor May 13, 2013
Filed in the office of Secretary of State May 13, 2013
Effective date May 13, 2013