



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Senate Bill 429

Senate Amendment 1

Memo published: March 6, 2012

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2011 SENATE BILL 429

Senate Bill 429 allows a vendor of portable electronics to sell insurance for such devices without a license if a licensed insurer who issues each policy directly supervises the sale, or appoints a licensed intermediary to supervise the sale, and each employee selling the insurance has completed a training program. The bill requires certain disclosures to a prospective customer, and a procedure for notice of termination of the coverage or a change in the policy.

Under the bill, an employer can offer incidental compensation to each employee, but the compensation cannot be based primarily on the number of customers enrolled in the insurance.

A violation of the regulatory provisions can be penalized by the Office of Commissioner of Insurance (OCI) with a forfeiture up to \$500 per violation, and up to \$5,000 total for all violations. OCI can also order suspension of the sale of the portable electronics insurance at the specific business location where the violation occurred, or sale by a particular employee.

SENATE AMENDMENT 1

Senate Amendment 1 does the following:

- Allows insurance to be sold without a license for *leased* portable electronics, in addition to *purchased* portable electronics.
- Specifies a value limit of less than \$5,000 for each insured device.
- Removes the \$5,000 total forfeiture limit for all violations.

- Allows OCI to order suspension or revocation of the sale of portable electronics insurance by a vendor who has violated the regulatory provisions, in addition to the suspension of sales at a specific location or by a specific employee.
- Specifies that OCI's general powers and procedures for enforcement apply to a vendor selling or offering portable electronics insurance.

LEGISLATIVE HISTORY

Senate Bill 429 was introduced on February 6, 2012, by Senators Lasee and Schultz. On February 29, 2012, the Senate Committee on Insurance and Housing introduced and adopted Senate Amendment 1 on a vote of Ayes, 6; Noes, 0; Absent, 1. That same day the committee recommended passage of the bill, as amended, on a vote of Ayes, 5; Noes, 1; Absent, 1.

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