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BILL



ANALYSIS

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Senate Bill 859 (as enacted)  
Sponsor: Senator Dave Hildenbrand  
Senate Committee: Insurance  
House Committee: Insurance

**PUBLIC ACT 552 of 2012**

Date Completed: 1-7-13

**CONTENT**

**The bill amended the Insurance Code to create an exception to the insurance producer license requirement for a person who sells only portable electronics insurance and discloses specified information to customers.**

The Code requires a person to obtain an insurance producer license in order to sell, solicit, or negotiate insurance. Under the bill, this requirement does not apply to a person whose only sale of insurance is for portable electronics insurance sold in connection with and incidental to the sale of a portable electronic device, if written disclosure material is given to the customer at the time of solicitation and includes all of the following:

- A disclosure that portable electronics insurance may provide a duplication of coverage already provided by the customer's homeowner's insurance policy, renter's insurance policy, or other insurance coverage.
- A statement that the customer's enrollment in a portable electronics insurance program is not required to purchase or lease a portable electronic device or services for it.
- A summary of the process for filing a claim, including a description of how to return a device and the maximum fee applicable if the customer fails to comply with any equipment return requirements.
- A statement that the customer may cancel enrollment for coverage at any time and that the person paying the premium will receive a refund of any applicable unearned premium.

In addition, the written disclosure material must summarize the material terms of the insurance coverage, including all of the following:

- The insurer's identity.
- The amount of any applicable deductible and how it is to be paid.
- Benefits of the coverage.
- Key terms and conditions of the coverage, such as whether the portable electronics may be repaired or replaced with a similar make and model or reconditioned or nonoriginal manufacturer parts or equipment.

The bill took effect on January 2, 2013.

MCL 500.1202

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.