

# SENATE BILL No. 859

December 1, 2011, Introduced by Senator HILDENBRAND and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 1201 (MCL 500.1201), as amended by 2001 PA 228,  
and by adding chapter 29A.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1201. As used in this chapter:

2       (a) "Agent" except as provided in section 1243 means an  
3       insurance producer.

4       (b) "Business entity" means a corporation, association,  
5       partnership, limited liability company, limited liability  
6       partnership, or other legal entity.

7       (c) "Home state" means the District of Columbia or any state  
8       or territory of the United States in which an insurance producer  
9       maintains his or her principal place of residence or principal

1 place of business and is licensed to act as an insurance producer.

2 (d) "Insurance" means any of the lines of authority in chapter  
3 6.

4 (e) "Insurance producer" means a person required to be  
5 licensed under the laws of this state to sell, solicit, or  
6 negotiate insurance.

7 (f) "License" means a document issued by this state's  
8 commissioner authorizing a person to act as an insurance producer  
9 for the qualifications specified in the document. The license  
10 itself does not create any actual, apparent, or inherent authority  
11 in the holder to represent or commit an insurer.

12 (g) "Limited line credit insurance" includes credit life,  
13 credit disability, credit property, credit unemployment,  
14 involuntary unemployment, mortgage life, mortgage guaranty,  
15 mortgage disability, guaranteed automobile protection insurance,  
16 and any other form of insurance offered in connection with an  
17 extension of credit that is limited to partially or wholly  
18 extinguishing that credit obligation that the commissioner  
19 determines should be designated a form of limited line credit  
20 insurance.

21 (h) "Limited line credit insurance producer" means a person  
22 who sells, solicits, or negotiates 1 or more forms of limited line  
23 credit insurance coverage to individuals through a master,  
24 corporate, group, or individual policy.

25 (i) "Limited lines insurance" means any of the following:

26 (i) Marine insurance as defined in section 614.

27 (ii) Credit insurance as described in section 624(1)(e).

(iii) Surety and fidelity insurance as defined in section 628.

(iv) Legal expense insurance as defined in section 618.

(v) Livestock insurance as described in section 624(1)(g).

(vi) Malpractice insurance as described in section 624(1)(h).

(vii) Plate glass insurance as described in section 624(1)(c).

(viii) Any other miscellaneous insurance described in section 624(1)(i).

**(ix) PORTABLE ELECTRONICS INSURANCE AS DESCRIBED IN CHAPTER 29A.**

**(x)** ~~(ix)~~ Any other line of insurance that the commissioner considers necessary to recognize for the purposes of complying with section 1206a(5).

(j) "Limited lines producer" means a person authorized by the commissioner to sell, solicit, or negotiate limited lines insurance.

(k) "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

(l) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.

(m) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

(n) "Terminate" means the cancellation of the relationship between an insurance producer and the insurer or the termination of a producer's authority to transact insurance.

#### CHAPTER 29A

##### PORTABLE ELECTRONICS INSURANCE

###### SEC. 2960. AS USED IN THIS CHAPTER:

(A) "CUSTOMER" MEANS A PERSON THAT PURCHASES PORTABLE ELECTRONICS OR SERVICES.

(B) "ENROLLED CUSTOMER" MEANS A CUSTOMER THAT ELECTS COVERAGE UNDER A PORTABLE ELECTRONICS INSURANCE POLICY ISSUED TO A VENDOR.

(C) "LOCATION" MEANS ANY PHYSICAL LOCATION IN THIS STATE OR ANY WEBSITE, CALL CENTER SITE, OR SIMILAR LOCATION DIRECTED TO RESIDENTS OF THIS STATE.

(D) "OFFICE" MEANS THE OFFICE OF FINANCIAL AND INSURANCE REGULATION.

(E) "PORTABLE ELECTRONIC DEVICE" MEANS AN ELECTRONIC DEVICE THAT IS PORTABLE IN NATURE AND ANY ACCESSORIES OR SERVICES RELATED TO THE USE OF THAT DEVICE.

(F) "PORTABLE ELECTRONICS INSURANCE" MEANS INSURANCE THAT PROVIDES COVERAGE FOR THE REPAIR OR REPLACEMENT OF A PORTABLE ELECTRONIC DEVICE, INCLUDING, BUT NOT LIMITED TO, INSURANCE THAT PROVIDES COVERAGE FOR A PORTABLE ELECTRONIC DEVICE AGAINST LOSS, THEFT, INOPERABILITY BECAUSE OF MECHANICAL FAILURE, MALFUNCTION, DAMAGE, OR OTHER SIMILAR CAUSES OF LOSS. PORTABLE ELECTRONICS INSURANCE DOES NOT INCLUDE ANY OF THE FOLLOWING:

(i) A SERVICE CONTRACT OR EXTENDED WARRANTY THAT PROVIDES COVERAGE THAT IS LIMITED TO THE REPAIR, REPLACEMENT, OR MAINTENANCE

1 OF A PORTABLE ELECTRONIC DEVICE IF THERE IS AN OPERATIONAL OR  
2 STRUCTURAL FAILURE OF THE DEVICE CAUSED BY A DEFECT IN MATERIALS OR  
3 WORKMANSHIP, ACCIDENTAL DAMAGE FROM HANDLING, OR NORMAL WEAR AND  
4 TEAR.

5 (ii) A POLICY OF INSURANCE COVERING A SELLER'S OR  
6 MANUFACTURER'S OBLIGATIONS UNDER A WARRANTY.

7 (iii) A HOMEOWNER'S, RENTER'S, PRIVATE PASSENGER AUTOMOBILE,  
8 COMMERCIAL MULTI-PERIL, OR SIMILAR INSURANCE POLICY.

9 (G) "PORTABLE ELECTRONICS TRANSACTION" MEANS ANY OF THE  
10 FOLLOWING:

11 (i) A SALE OR LEASE OF A PORTABLE ELECTRONIC DEVICE BY A VENDOR  
12 TO A CUSTOMER.

13 (ii) A SALE OF A SERVICE RELATED TO THE USE OF A PORTABLE  
14 ELECTRONIC DEVICE BY A VENDOR TO A CUSTOMER.

15 (H) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY THAT IS AN  
16 INSURANCE PRODUCER OR INSURER LICENSED UNDER THIS CODE.

17 (I) "VENDOR" MEANS A PERSON IN THE BUSINESS OF DIRECTLY OR  
18 INDIRECTLY ENGAGING IN PORTABLE ELECTRONIC DEVICE TRANSACTIONS.

19 SEC. 2961. (1) A VENDOR SHALL NOT SELL OR OFFER COVERAGE UNDER  
20 A POLICY OF PORTABLE ELECTRONICS INSURANCE TO A CUSTOMER UNLESS THE  
21 VENDOR IS LICENSED AS A LIMITED LINES PRODUCER UNDER CHAPTER 12.  
22 THIS LICENSE AUTHORIZES ANY EMPLOYEE OR AUTHORIZED REPRESENTATIVE  
23 OF THE VENDOR TO SELL OR OFFER COVERAGE UNDER A POLICY OF PORTABLE  
24 ELECTRONICS INSURANCE TO A CUSTOMER AT ANY LOCATION AT WHICH THE  
25 VENDOR ENGAGES IN PORTABLE ELECTRONICS TRANSACTIONS.

26 (2) A VENDOR SHALL MAINTAIN A REGISTRY OF LOCATIONS THAT ARE  
27 AUTHORIZED TO SELL OR SOLICIT PORTABLE ELECTRONICS INSURANCE IN

1 THIS STATE. UPON THE COMMISSIONER'S REQUEST AND WITHIN 10 DAYS'  
2 NOTICE TO THE VENDOR, THE REGISTRY SHALL BE OPEN TO INSPECTION AND  
3 EXAMINATION BY THE COMMISSIONER DURING THE VENDOR'S REGULAR  
4 BUSINESS HOURS.

5 SEC. 2962. (1) AT EVERY LOCATION WHERE A VENDOR OFFERS  
6 PORTABLE ELECTRONICS INSURANCE TO CUSTOMERS, THE VENDOR SHALL MAKE  
7 BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO A PROSPECTIVE  
8 CUSTOMER. THE BROCHURES OR OTHER WRITTEN MATERIALS SHALL DO ALL OF  
9 THE FOLLOWING:

10 (A) DISCLOSE THAT PORTABLE ELECTRONICS INSURANCE MAY PROVIDE A  
11 DUPLICATION OF COVERAGE ALREADY PROVIDED BY THE CUSTOMER'S  
12 HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE POLICY, OR OTHER  
13 INSURANCE COVERAGE.

14 (B) STATE THAT THE ENROLLMENT BY THE CUSTOMER IN A PORTABLE  
15 ELECTRONICS INSURANCE PROGRAM IS NOT REQUIRED TO PURCHASE OR LEASE  
16 A PORTABLE ELECTRONIC DEVICE OR SERVICES FOR THE DEVICE.

17 (C) SUMMARIZE THE MATERIAL TERMS OF THE PORTABLE ELECTRONICS  
18 INSURANCE COVERAGE, INCLUDING AT LEAST ALL OF THE FOLLOWING:

19 (i) THE IDENTITY OF THE INSURER.

20 (ii) THE IDENTITY OF THE SUPERVISING ENTITY.

21 (iii) THE AMOUNT OF ANY APPLICABLE DEDUCTIBLE AND HOW IT IS TO  
22 BE PAID.

23 (iv) BENEFITS OF THE COVERAGE.

24 (v) KEY TERMS AND CONDITIONS OF THE COVERAGE, SUCH AS WHETHER  
25 PORTABLE ELECTRONICS MAY BE REPAIRED OR REPLACED WITH SIMILAR MAKE  
26 AND MODEL RECONDITIONED OR NONORIGINAL MANUFACTURER PARTS OR  
27 EQUIPMENT.

1 (D) SUMMARIZE THE PROCESS FOR FILING A CLAIM, INCLUDING A  
2 DESCRIPTION OF HOW TO RETURN A PORTABLE ELECTRONIC DEVICE AND THE  
3 MAXIMUM FEE APPLICABLE IF THE CUSTOMER FAILS TO COMPLY WITH ANY  
4 EQUIPMENT RETURN REQUIREMENTS.

5 (E) STATE THAT THE CUSTOMER MAY CANCEL ENROLLMENT FOR COVERAGE  
6 UNDER A PORTABLE ELECTRONICS INSURANCE POLICY AT ANY TIME AND THAT  
7 THE PERSON PAYING THE PREMIUM WILL RECEIVE A REFUND OF ANY  
8 APPLICABLE UNEARNED PREMIUM.

9 (2) A VENDOR MAY OFFER PORTABLE ELECTRONICS INSURANCE ON A  
10 MONTH-TO-MONTH OR OTHER PERIODIC BASIS AS A GROUP OR MASTER  
11 COMMERCIAL INLAND MARINE POLICY ISSUED TO THE VENDOR FOR ITS  
12 ENROLLED CUSTOMERS.

13 (3) AN INSURER ISSUING A POLICY OF PORTABLE ELECTRONICS  
14 INSURANCE SHALL ESTABLISH ELIGIBILITY AND UNDERWRITING STANDARDS  
15 FOR CUSTOMERS ELECTING TO ENROLL IN COVERAGE FOR EACH PORTABLE  
16 ELECTRONICS INSURANCE PROGRAM.

17 SEC. 2963. (1) THE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF  
18 A VENDOR MAY SELL OR OFFER PORTABLE ELECTRONICS INSURANCE UNDER  
19 THIS CHAPTER TO CUSTOMERS WITHOUT A LIMITED LINES PRODUCER LICENSE  
20 IF EITHER OF THE FOLLOWING IS MET:

21 (A) THE VENDOR THAT EMPLOYS THE EMPLOYEES AND AUTHORIZED  
22 REPRESENTATIVES HAS A LIMITED LINES PRODUCER LICENSE THAT  
23 AUTHORIZES ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO SELL OR  
24 OFFER PORTABLE ELECTRONICS INSURANCE.

25 (B) THE INSURER ISSUING THE PORTABLE ELECTRONICS INSURANCE  
26 COVERAGE EITHER DIRECTLY SUPERVISES OR APPOINTS A SUPERVISING  
27 ENTITY TO SUPERVISE THE ADMINISTRATION OF THE PORTABLE ELECTRONICS

1 INSURANCE COVERAGE PROGRAM, INCLUDING DEVELOPMENT OF A TRAINING  
2 PROGRAM FOR EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF THE  
3 VENDORS. THE TRAINING REQUIRED UNDER THIS SUBDIVISION SHALL COMPLY  
4 WITH ALL OF THE FOLLOWING:

5 (i) THE TRAINING SHALL BE DELIVERED TO EMPLOYEES AND AUTHORIZED  
6 REPRESENTATIVES OF A VENDOR WHO ARE DIRECTLY ENGAGED IN THE  
7 ACTIVITY OF SELLING OR OFFERING PORTABLE ELECTRONICS INSURANCE  
8 COVERAGE.

9 (ii) THE TRAINING MAY BE PROVIDED IN ELECTRONIC FORM. IF THE  
10 TRAINING IS CONDUCTED IN ELECTRONIC FORM, THE SUPERVISING ENTITY  
11 SHALL IMPLEMENT A SUPPLEMENTAL EDUCATION PROGRAM REGARDING PORTABLE  
12 ELECTRONICS INSURANCE THAT IS CONDUCTED AND OVERSEEN BY LICENSED  
13 EMPLOYEES OF THE SUPERVISING ENTITY.

14 (iii) THE TRAINING SHALL PROVIDE BASIC INSTRUCTION ABOUT THE  
15 PORTABLE ELECTRONICS INSURANCE COVERAGE OFFERED TO CUSTOMERS AND  
16 THE DISCLOSURES REQUIRED UNDER SECTION 2962.

17 (2) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A VENDOR  
18 DESCRIBED IN SUBSECTION (1) SHALL NOT ADVERTISE, REPRESENT, OR  
19 OTHERWISE HOLD HIMSELF OR HERSELF OUT AS A LIMITED LINES LICENSED  
20 INSURANCE PRODUCER.

21 (3) A VENDOR MAY BILL AND COLLECT THE CHARGES FOR PORTABLE  
22 ELECTRONICS INSURANCE COVERAGE. A VENDOR SHALL SEPARATELY ITEMIZE  
23 ON THE ENROLLED CUSTOMER'S BILL ANY CHARGE FOR COVERAGE THAT IS NOT  
24 INCLUDED IN THE COST ASSOCIATED WITH THE PURCHASE OR LEASE OF A  
25 PORTABLE ELECTRONIC DEVICE OR RELATED SERVICES. IF THE PORTABLE  
26 ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE PURCHASE OR  
27 LEASE OF A PORTABLE ELECTRONIC DEVICE OR RELATED SERVICES, THE



1 VENDOR SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE ENROLLED  
2 CUSTOMER THAT THE PORTABLE ELECTRONICS INSURANCE COVERAGE IS  
3 INCLUDED WITH THE PORTABLE ELECTRONIC DEVICE OR RELATED SERVICES.  
4 VENDORS BILLING AND COLLECTING CHARGES DESCRIBED IN THIS SUBSECTION  
5 ARE NOT REQUIRED TO MAINTAIN THE PROCEEDS IN A SEGREGATED ACCOUNT  
6 IF THE VENDOR IS AUTHORIZED BY THE INSURER TO HOLD THE PROCEEDS IN  
7 AN ALTERNATIVE MANNER AND REMITS THOSE PROCEEDS TO THE SUPERVISING  
8 ENTITY WITHIN 60 DAYS AFTER RECEIVING THEM. ALL MONEY RECEIVED BY A  
9 VENDOR FROM AN ENROLLED CUSTOMER FROM THE PURCHASE OF PORTABLE  
10 ELECTRONICS INSURANCE IS CONSIDERED MONEY HELD IN TRUST BY THE  
11 VENDOR IN A FIDUCIARY CAPACITY FOR THE BENEFIT OF THE INSURER. A  
12 VENDOR MAY RECEIVE COMPENSATION FOR BILLING AND COLLECTION SERVICES  
13 DESCRIBED IN THIS SUBSECTION.

14 SEC. 2964. IF A VENDOR OR AN EMPLOYEE OR AUTHORIZED  
15 REPRESENTATIVE OF A VENDOR VIOLATES THIS CHAPTER, THE COMMISSIONER  
16 MAY DO ANY OF THE FOLLOWING:

17 (A) AFTER NOTICE AND HEARING, IMPOSE AN ADMINISTRATIVE FINE OF  
18 NOT MORE THAN \$500.00 FOR EACH VIOLATION. HOWEVER, THE COMMISSIONER  
19 MAY NOT ASSESS ADMINISTRATIVE FINES UNDER THIS CHAPTER AGAINST ANY  
20 PERSON THAT IN THE AGGREGATE ARE MORE THAN \$5,000.00 FOR MULTIPLE  
21 VIOLATIONS THAT INVOLVE THE SAME CONDUCT, ACTION, OR PRACTICE.

22 (B) AFTER NOTICE AND HEARING, IMPOSE OTHER PENALTIES THAT THE  
23 COMMISSIONER CONSIDERS NECESSARY AND REASONABLE TO CARRY OUT THE  
24 PURPOSE OF THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO, ANY OF THE  
25 FOLLOWING:

26 (i) SUSPENDING THE PRIVILEGE OF TRANSACTING PORTABLE  
27 ELECTRONICS INSURANCE UNDER THIS CHAPTER AT SPECIFIC LOCATIONS

1 WHERE VIOLATIONS HAVE OCCURRED.

2 (ii) SUSPENDING OR REVOKING THE ABILITY OF INDIVIDUAL EMPLOYEES  
3 OR AUTHORIZED REPRESENTATIVES TO ACT UNDER THE VENDOR'S LICENSE.

4 SEC. 2965. (1) EXCEPT AS PROVIDED IN SUBSECTIONS (2) AND (3),  
5 AN INSURER MAY TERMINATE OR OTHERWISE CHANGE THE TERMS AND  
6 CONDITIONS OF A POLICY OF PORTABLE ELECTRONICS INSURANCE ONLY IF IT  
7 PROVIDES THE VENDOR THAT IS THE POLICYHOLDER AND ENROLLED CUSTOMERS  
8 WITH AT LEAST 30 DAYS' NOTICE OF THE TERMINATION OR CHANGE. IF THE  
9 INSURER CHANGES THE TERMS AND CONDITIONS OF THE POLICY, THE INSURER  
10 SHALL PROVIDE THE VENDOR THAT IS THE POLICYHOLDER WITH A REVISED  
11 POLICY OR ENDORSEMENT AND EACH ENROLLED CUSTOMER WITH A REVISED  
12 CERTIFICATE, ENDORSEMENT, UPDATED BROCHURE, OR OTHER EVIDENCE  
13 INDICATING THAT A CHANGE IN THE TERMS AND CONDITIONS HAS OCCURRED  
14 AND A SUMMARY OF MATERIAL CHANGES.

15 (2) AN INSURER MAY TERMINATE AN ENROLLED CUSTOMER'S ENROLLMENT  
16 UNDER A PORTABLE ELECTRONICS INSURANCE POLICY 15 DAYS AFTER  
17 PROVIDING NOTICE TO THE CUSTOMER IF THE INSURER DISCOVERS FRAUD OR  
18 MATERIAL MISREPRESENTATION IN OBTAINING COVERAGE OR IN THE  
19 PRESENTATION OF A CLAIM UNDER THE POLICY.

20 (3) AN INSURER MAY IMMEDIATELY TERMINATE AN ENROLLED  
21 CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY  
22 FOR ANY OF THE FOLLOWING REASONS:

23 (A) NONPAYMENT OF PREMIUM.

24 (B) THE ENROLLED CUSTOMER HAS CEASED TO HAVE AN ACTIVE SERVICE  
25 WITH THE VENDOR OF THE PORTABLE ELECTRONIC DEVICE.

26 (C) THE ENROLLED CUSTOMER HAS EXHAUSTED THE AGGREGATE LIMIT OF  
27 LIABILITY, IF ANY, UNDER THE TERMS OF THE PORTABLE ELECTRONICS

1 INSURANCE POLICY AND THE INSURER HAS SENT NOTICE OF TERMINATION TO  
2 THE ENROLLED CUSTOMER WITHIN 30 CALENDAR DAYS AFTER EXHAUSTION OF  
3 THE LIMIT. HOWEVER, IF NOTICE IS NOT TIMELY SENT, ENROLLMENT SHALL  
4 CONTINUE NOTWITHSTANDING THAT THE AGGREGATE LIMIT OF LIABILITY HAS  
5 BEEN EXHAUSTED UNTIL THE INSURER SENDS NOTICE OF TERMINATION TO THE  
6 ENROLLED CUSTOMER.

7 (4) IF A PORTABLE ELECTRONICS INSURANCE POLICY IS TERMINATED  
8 BY A VENDOR POLICYHOLDER, THE VENDOR POLICYHOLDER SHALL MAIL OR  
9 DELIVER WRITTEN NOTICE TO EACH ENROLLED CUSTOMER ADVISING THE  
10 ENROLLED CUSTOMER OF THE TERMINATION OF THE POLICY AND THE  
11 EFFECTIVE DATE OF TERMINATION. THE WRITTEN NOTICE SHALL BE MAILED  
12 OR DELIVERED TO THE ENROLLED CUSTOMER AT LEAST 30 DAYS BEFORE THE  
13 TERMINATION.

14 (5) ANY NOTICE REQUIRED UNDER THIS SECTION SHALL BE IN  
15 WRITING. AN INSURER MAY MAIL OR DELIVER A NOTICE TO A VENDOR AT THE  
16 VENDOR'S MAILING ADDRESS AND TO ITS AFFECTED ENROLLED CUSTOMERS'  
17 LAST KNOWN MAILING ADDRESSES ON FILE WITH THE INSURER. IF A NOTICE  
18 IS MAILED, THE INSURER OR VENDOR THAT SENT THE NOTICE SHALL  
19 MAINTAIN PROOF OF MAILING IN A FORM AUTHORIZED OR ACCEPTED BY THE  
20 UNITED STATES POSTAL SERVICE OR OTHER COMMERCIAL MAIL DELIVERY  
21 SERVICE. ALTERNATIVELY, AN INSURER OR VENDOR POLICYHOLDER MAY  
22 COMPLY WITH ANY NOTICE REQUIRED UNDER THIS SECTION BY PROVIDING  
23 ELECTRONIC NOTICE TO A VENDOR OR ITS AFFECTED ENROLLED CUSTOMERS,  
24 AS APPLICABLE, BY ELECTRONIC MEANS. IF NOTICE IS PROVIDED BY  
25 ELECTRONIC MEANS, THE INSURER OR VENDOR SHALL MAINTAIN PROOF THAT  
26 THE NOTICE WAS SENT.

27 SEC. 2966. (1) A PERSON SEEKING A LICENSE UNDER THIS CHAPTER

1 SHALL FILE A SWORN APPLICATION FOR A LICENSE WITH THE OFFICE ON  
2 FORMS PRESCRIBED AND FURNISHED BY THE OFFICE.

3 (2) AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER SHALL DO  
4 ALL OF THE FOLLOWING:

5 (A) PROVIDE THE NAME, RESIDENCE ADDRESS, AND OTHER INFORMATION  
6 REQUIRED BY THE OFFICE FOR AN EMPLOYEE OR OFFICER OF THE VENDOR  
7 THAT IS DESIGNATED BY THE APPLICANT AS THE PERSON RESPONSIBLE FOR  
8 THE VENDOR'S COMPLIANCE WITH THE REQUIREMENTS OF THIS CHAPTER.  
9 HOWEVER, IF THE VENDOR DERIVES MORE THAN 50% OF ITS REVENUE FROM  
10 THE SALE OF PORTABLE ELECTRONICS INSURANCE, THE VENDOR SHALL  
11 PROVIDE THE NAME, RESIDENCE ADDRESS, AND OTHER INFORMATION REQUIRED  
12 BY THE OFFICE OF ALL OF THE VENDOR'S OFFICERS, DIRECTORS, AND  
13 SHAREHOLDERS OF RECORD WHO HAVE BENEFICIAL OWNERSHIP OF 10% OR MORE  
14 OF ANY CLASS OF SECURITIES REGISTERED UNDER FEDERAL SECURITIES  
15 LAWS.

16 (B) PROVIDE THE LOCATION OF THE APPLICANT'S HOME OFFICE.

17 (3) AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER SHALL BE  
18 MADE WITHIN 90 DAYS AFTER THE APPLICATION IS MADE AVAILABLE BY THE  
19 OFFICE.

20 (4) AN INITIAL LICENSE ISSUED UNDER THIS CHAPTER EXPIRES 24  
21 MONTHS AFTER THE ISSUE DATE ASSIGNED BY THE OFFICE.

22 (5) EACH VENDOR LICENSED UNDER THIS CHAPTER SHALL PAY THE  
23 OFFICE A FEE IN THE AMOUNT DETERMINED BY THE OFFICE. THE FEE  
24 ESTABLISHED BY THE OFFICE SHALL NOT EXCEED \$1,000.00 FOR AN INITIAL  
25 PORTABLE ELECTRONICS LIMITED LINES LICENSE OR \$500.00 FOR EACH  
26 RENEWAL OF THAT LICENSE. HOWEVER, IF A VENDOR IS ENGAGED IN  
27 PORTABLE ELECTRONIC DEVICE TRANSACTIONS AT 10 OR FEWER LOCATIONS IN

1    THIS STATE, THE FEE SHALL NOT EXCEED \$100.00 FOR AN INITIAL LICENSE  
2    OR A RENEWAL.