S T A T E O F N E W Y O R K

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I N A S S E M B L Y

June 10, 2014

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Morelle, Braunstein) -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to insurance on wireless communications equipment

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph 2 of subsection (d) of section 2131 of the insurance law, as amended by chapter 368 of the laws of 2010, is amended to read as follows:

(2) with respect to wireless communications equipment vendors, insurance issued to cover the loss, theft, mechanical failure, or malfunction of, or damage to, wireless communications equipment offered as either an individual policy issued to the consumer or as a group policy under which certificates or other evidence of coverage are issued to individual consumers who enroll in the program, OR ANY ARRANGEMENT THAT SEEKS TO PROVIDE SUBSTANTIALLY SIMILAR BENEFITS THROUGH OTHER MEANS INCLUDING ARRANGEMENTS THAT CONFER BENEFITS UPON CONSUMERS THAT PURCHASE, INCLUDING INSTALLMENT SALE PURCHASES, OR LEASE WIRELESS COMMUNICATIONS EQUIPMENT OR WIRELESS SERVICES, REGARDLESS OF WHETHER THE BENEFITS ARE PROVIDED DIRECTLY OR INDIRECTLY TO THE CONSUMER, WHERE THE BENEFITS INCLUDE THE REPAIR OR REPLACEMENT OF THE COVERED DEVICE, THE PROVISION OF A LOANER OR RENTAL DEVICE, OR THE PAYMENT OF INDEMNIFICATION IN THE EVENT OF A LOSS OF A COVERED DEVICE, AND WHERE THE BENEFITS ARE EXPRESSLY OR IMPLIEDLY CONDITIONED ON THE HAPPENING OF SOME FORTUITOUS EVENT SUCH AS THE LOSS, THEFT OR PHYSICAL DAMAGE OF THE COVERED DEVICE, OR IS STRUCTURED AS A REMEDY IN THE EVENT OF SUCH PERILS WITHOUT EXPRESSLY STATING THOSE PERILS AS A CONDITION OF COVERAGE, provided however, that said insurance shall not extend to wireless services or service contracts governed by article seventy-nine of this chapter; or

S 2. Subparagraphs (F) and (G) of paragraph 2 of subsection (e) of section 2131 of the insurance law, as amended by chapter 368 of the laws of 2010, are amended and a new subparagraph (H) is added to read as follows:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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(F) disclose that the employee of the rental vehicle company, wireless communications equipment vendor or self-storage company is not qualified or authorized to evaluate the adequacy of the purchaser's existing coverages, unless otherwise licensed; [and]

(G) state that the customer may cancel the insurance at any time and any unearned premium will be refunded in accordance with applicable law[.]; AND

(H) WITH REGARD TO WIRELESS COMMUNICATIONS EQUIPMENT INSURANCE, INCLUDE A DISCLOSURE THAT IS DEEMED SUFFICIENT TO COMPLY WITH ANY REQUIREMENT TO DISCLOSE PRICE AND PRODUCER COMPENSATION WITH RESPECT TO THIS TYPE OF INSURANCE AND THAT SHALL READ SUBSTANTIALLY AS FOLLOWS: "YOU WILL BE BILLED A CHARGE OF (AMOUNT OF PREMIUM) FOR A TERM OF (NUMBER OF MONTHS) MONTHS. FOR CUSTOMERS WHO ELECT INSURANCE COVERAGE, THE MONTHLY INSURANCE PREMIUM MAY INCLUDE FEES PAYABLE TO (NAME OF ADMINISTRATOR) AND/OR (NAME OF VENDOR)."

S 3. Subsection (1) of section 2131 of the insurance law, as added by chapter 582 of the laws of 2003, is amended to read as follows:

(l) For purposes of this section "wireless communications equipment" shall mean wireless handsets, pagers, personal digital assistants, wireless telephones [or], wireless telephone batteries, PORTABLE COMPUTERS AND TABLETS, and other SIMILAR PORTABLE wireless devices and accessories related to such devices that are used to access wireless communications services and includes wireless services.

S 4. Subsection (a) of section 3449 of the insurance law, as added by chapter 426 of the laws of 2005, is amended to read as follows:

(a) In this section, the term "policy of wireless communications equipment insurance" means an insurance policy covering the kind of insurance described in PARAGRAPH TWO OF subsection [(1)] (D) of section two thousand one hundred thirty-one of this chapter.

S 5. This act shall take effect immediately.