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I N S E N A T E

June 2, 2014

Introduced by Sen. LIBOUS -- read twice and ordered printed, and when printed to be committed 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:

1 Section 1. Paragraph 2 of subsection (d) of section 2131 of the insur-
2 ance law, as amended by chapter 368 of the laws of 2010, is amended to
3 read as follows:
4 (2) with respect to wireless communications equipment vendors, insur-
5 ance issued to cover the loss, theft, mechanical failure, or malfunction
6 of, or damage to, wireless communications equipment offered as either an
7 individual policy issued to the consumer or as a group policy under
8 which certificates or other evidence of coverage are issued to individ-
9 ual consumers who enroll in the program, OR ANY ARRANGEMENT THAT SEEKS
10 TO PROVIDE SUBSTANTIALLY SIMILAR BENEFITS THROUGH OTHER MEANS INCLUDING
11 ARRANGEMENTS THAT CONFER BENEFITS UPON CONSUMERS THAT PURCHASE, INCLUD-
12 ING INSTALLMENT SALE PURCHASES, OR LEASE WIRELESS COMMUNICATIONS EQUIP-
13 MENT OR WIRELESS SERVICES, REGARDLESS OF WHETHER THE BENEFITS ARE
14 PROVIDED DIRECTLY OR INDIRECTLY TO THE CONSUMER, WHERE THE BENEFITS
15 INCLUDE THE REPAIR OR REPLACEMENT OF THE COVERED DEVICE, THE PROVISION
16 OF A LOANER OR RENTAL DEVICE, OR THE PAYMENT OF INDEMNIFICATION IN THE
17 EVENT OF A LOSS OF A COVERED DEVICE, AND WHERE THE BENEFITS ARE EXPRESS-
18 LY OR IMPLIEDLY CONDITIONED ON THE HAPPENING OF SOME FORTUITOUS EVENT
19 SUCH AS THE LOSS, THEFT OR PHYSICAL DAMAGE OF THE COVERED DEVICE, OR IS
20 STRUCTURED AS A REMEDY IN THE EVENT OF SUCH PERILS WITHOUT EXPRESSLY
21 STATING THOSE PERILS AS A CONDITION OF COVERAGE, provided however, that
22 said insurance shall not extend to wireless services or service
23 contracts governed by article seventy-nine of this chapter; or
24 S 2. Subparagraphs (F) and (G) of paragraph 2 of subsection (e) of
25 section 2131 of the insurance law, as amended by chapter 368 of the laws
26 of 2010, are amended and a new subparagraph (H) is added to read as
27 follows:

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

LBD15460-01-4

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

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

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

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

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

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

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

30 S 5. This act shall take effect immediately.