

1 AN ACT

2 relating to a specialty insurance agent license for certain vendors
3 of portable electronic devices.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter F, Chapter 4055, Insurance Code, is
6 amended to read as follows:

7 SUBCHAPTER F. PORTABLE ELECTRONIC [~~TELECOMMUNICATIONS EQUIPMENT~~]
8 VENDOR LICENSE

9 Sec. 4055.251. DEFINITIONS. In this subchapter:

10 (1) "Customer" means a person who purchases a portable
11 electronic device or a related service [~~telecommunications~~
12 ~~equipment in a retail sales transaction~~].

13 (2) "Portable electronic devices" means personal,
14 self-contained, easily carried by an individual, battery-operated
15 electronic communication, viewing, listening, recording, gaming,
16 computing or global positioning devices, including cell or
17 satellite phones, pagers, personal global positioning satellite
18 units, portable computers, portable audio listening, video viewing
19 or recording devices, digital cameras, video camcorders, portable
20 gaming systems, docking stations, automatic answering devices, and
21 other similar devices and their accessories [~~"Telecommunications~~
22 ~~equipment" includes handsets, pagers, automatic answering devices,~~
23 ~~batteries, and other devices used to originate or receive wireless~~
24 ~~communications exclusive of cordless, wireline communications~~].

1 (3) "Vendor" means a person or entity engaged in the
2 business of leasing, selling, or providing portable electronic
3 devices or related services to customers.

4 Sec. 4055.252. ISSUANCE OF LICENSE; LICENSE FEE. (a)
5 Notwithstanding any other provision of this chapter or this code,
6 the commissioner may issue a specialty license to a [~~retail~~] vendor
7 [~~of telecommunications equipment~~] who complies with this
8 subchapter. The specialty license may be issued only for the
9 limited purposes specified by this subchapter.

10 (b) A specialty license issued to a vendor under this
11 subchapter authorizes the vendor and any employee or authorized
12 representative of the vendor to offer the type of coverage
13 specified in this subchapter at each location at which the vendor
14 engages in business.

15 (c) The commissioner shall impose an annual license fee for
16 a specialty license issued under this subchapter. The commissioner
17 shall set the license fee in an amount reasonable and necessary to
18 cover the costs of administering this subchapter, not to exceed
19 \$5,000.

20 Sec. 4055.253. AUTHORITY OF [~~RETAIL~~] VENDOR OF PORTABLE
21 ELECTRONIC DEVICES [~~TELECOMMUNICATIONS EQUIPMENT~~]. A [~~retail~~]
22 vendor [~~of telecommunications equipment~~] licensed under this
23 subchapter and the vendor's employee and authorized representative
24 [~~chapter~~] may act as an agent for an authorized insurer [~~only~~]

25 [~~(1)~~] in connection with the sale and use of portable
26 electronic devices and related services only [~~telecommunications~~
27 ~~equipment, and~~

1 ~~[(2)]~~ with respect to:

2 (1) ~~[(A)]~~ insurance coverage provided to customers
3 that covers portable electronic devices against one or more of the
4 following:

5 (A) loss;

6 (B) theft;

7 (C) mechanical failure;

8 (D) malfunction;

9 (E) damage; or

10 (F) other applicable perils ~~[for the loss or~~
11 ~~malfunction of or damage to telecommunications equipment]~~; or

12 (2) the provision of ~~[(B)]~~ any other coverage the
13 commissioner approves as meaningful and appropriate in connection
14 with the use of portable electronic devices or related services
15 ~~[telecommunications equipment]~~.

16 Sec. 4055.254. INSURANCE POLICY; REQUIREMENTS. (a)
17 Insurance provided under this subchapter may be issued to a
18 licensed vendor under a master or group policy of personal or
19 commercial inland marine insurance. A customer may be designated
20 as an additional insured or certificate holder under the policy.

21 (b) A licensed vendor shall provide to each customer
22 designated as an additional insured or certificate holder a
23 coverage form, certificate, or other evidence of coverage in a
24 brochure or separate document.

25 Sec. 4055.255. REQUIRED TRAINING. (a) Notwithstanding
26 Section 4055.012, an agent who holds a license issued under Chapter
27 4051 or a substantially equivalent license issued under this code

1 and who is appointed by the insurer that insures a vendor may:

2 (1) provide the materials for the training program
3 required under Section 4055.012; and

4 (2) conduct the applicable training.

5 (b) An agent described by Subsection (a) shall submit the
6 training program materials for approval as required under Section
7 4055.012(c).

8 SECTION 2. The commissioner of insurance shall, by rule,
9 establish a procedure under which a person holding a license as a
10 telecommunications equipment vendor specialty agent that was
11 issued under Subchapter F, Chapter 4055, Insurance Code, as it
12 existed before amendment by this Act, may convert that license to a
13 portable electronic device vendor specialty agent license under
14 Subchapter F, Chapter 4055, Insurance Code, as amended by this Act,
15 without further qualification. The rules may establish a reasonable
16 period for the agent to comply with Section 4055.254, Insurance
17 Code, as added by this Act.

18 SECTION 3. This Act takes effect September 1, 2009.

rand Newkirk
President of the Senate

Jon Stroman
Speaker of the House

I certify that H.B. No. 2569 was passed by the House on April 15, 2009, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 2569 was passed by the Senate on May 13, 2009, by the following vote: Yeas 31, Nays 0.

Datsy Spaw
Secretary of the Senate

APPROVED: 23 MAY '09

Date

RICK PERRY
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
5pm O'CLOCK

Boyd R. Davis
Secretary of State