

HOUSE BILL NO. 6159

June 01, 2022, Introduced by Reps. Mueller, Posthumus, Green, Martin, Steenland, Coleman and Young and referred to the Committee on Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 1295.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1295. (1) An employee or authorized representative of a
2 vendor may sell or offer portable electronics insurance under this
3 chapter to customers without an insurance producer license if all
4 of the following conditions are met:

5 (a) The vendor that employs the employee or authorized
6 representative is a limited line portable electronics insurance
7 producer that authorizes its employees or authorized

1 representatives to sell or offer portable electronics insurance.

2 (b) The insurer issuing the portable electronics insurance
3 coverage either directly supervises or appoints a supervising
4 entity to supervise the administration of the portable electronics
5 insurance coverage program, including development of a training
6 program for employees and authorized representatives of the
7 vendors. The training required under this subdivision must comply
8 with all of the following:

9 (i) The training must be delivered to employees and authorized
10 representatives of a vendor who are directly engaged in the
11 activity of selling or offering portable electronics insurance
12 coverage.

13 (ii) The training may be provided in electronic form. If the
14 training is conducted in electronic form, the supervising entity
15 shall implement a supplemental education program regarding portable
16 electronics insurance that is conducted and overseen by employees
17 of the supervising entity who are licensed insurance producers.

18 (iii) The training must provide basic instruction about the
19 portable electronics insurance coverage offered to customers and
20 the disclosures required under section 1294.

21 (c) An employee or authorized representative of a vendor
22 described in subdivision (a) does not advertise, represent, or
23 otherwise hold himself or herself out as an insurance producer.

24 (2) A vendor shall not compensate the vendor's employee or
25 authorized representative based primarily on the number of
26 customers enrolled for portable electronics insurance coverage. A
27 vendor may compensate the vendor's employee or authorized
28 representative for activities under the vendor's limited line
29 portable electronics insurance producer license that are incidental

1 to the employee's or authorized representative's overall
2 compensation.

3 (3) A vendor may bill and collect the charges for portable
4 electronics insurance coverage. A vendor shall separately itemize
5 on the enrolled customer's bill any charge for coverage that is not
6 included in the cost associated with the purchase or lease of a
7 portable electronic device or related services. If the portable
8 electronics insurance coverage is included with the purchase or
9 lease of a portable electronic device or related services, the
10 vendor shall clearly and conspicuously disclose to the enrolled
11 customer that the portable electronics insurance coverage is
12 included with the portable electronic device or related services. A
13 vendor that bills and collects charges as allowed under this
14 subsection is not required to maintain the proceeds in a segregated
15 account if the vendor is authorized by the insurer to hold the
16 proceeds in an alternative manner and remits those proceeds to the
17 supervising entity within 60 days after receiving them. All money
18 received by a vendor from an enrolled customer from the purchase of
19 portable electronics insurance is considered money held in trust by
20 the vendor in a fiduciary capacity for the benefit of the insurer.
21 The insurer may compensate the vendor for billing and collection
22 services described in this subsection.

23 Enacting section 1. This amendatory act does not take effect
24 unless all of the following bills of the 101st Legislature are
25 enacted into law:

26 (a) Senate Bill No. ____ or House Bill No. 6158 (request no.
27 04981'21).

28 (b) Senate Bill No. ____ or House Bill No. 6155 (request no.
29 04982'21).

- 1 (c) Senate Bill No.____ or House Bill No. 6162 (request no.
2 04983'21).
- 3 (d) Senate Bill No.____ or House Bill No. 6156 (request no.
4 04984'21).
- 5 (e) Senate Bill No.____ or House Bill No. 6163 (request no.
6 05087'21).
- 7 (f) Senate Bill No.____ or House Bill No. 6160 (request no.
8 05089'21).
- 9 (g) Senate Bill No.____ or House Bill No.____ (request no.
10 05090'21).
- 11 (h) Senate Bill No.____ or House Bill No. 6161 (request no.
12 05091'21).
- 13 (i) Senate Bill No.____ or House Bill No. 6157 (request no.
14 05092'21).