

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on February 16, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the Committee:

Rhonda Oswald, Asurion

Others attending:

See attached list.

The Chair called the meeting to order. She introduced Bronwyn McNaughton to the committee. Bronwyn is "shadowing" Senator Teichman for the day. Bronwyn is in the gifted program at Antioch in Merriam.

Hearing on

SB 170 - Portable electronics insurance act.

Ken Wilke gave an overview of the bill. Mr. Wilke stated this bill is a new piece of legislation which would regulate the licensing and sale of insurance for portable electronic devices. Mr. Wilke went through each Section of the bill and offered two amendments. He said vendors would be required to apply for a limited lines license to sell and offer policies for portable electronic insurance. He said vendors would have to provide on a quarterly basis, a list of all locations where they are offering coverage in the state. He noted the bill would also permit the Commissioner of Insurance to adopt rules and regulations to implement this act.

Rhonda Oswald, director of State Legislative Affairs for Asurion, testified in support of **SB 170.** She stated that the product that is at the heart of this bill is an insurance program that protects a consumer's investment in their wireless communications device by insuring it against loss, theft, damage, and internal malfunction of the device. She said the bill provides for an entity level license to vendors offering portable electronics insurance and provides for key consumer protections related to such coverage. Summarizing, she stated that this is a good bill not only for the Kansas retailers, but also for Kansas consumers in that the bill creates a regulatory structure for this product that ensures full disclosure to the consumer of the terms and conditions of this insurance coverage while also providing the Department of Insurance with the regulatory authority to ensure that the product is sold to Kansas consumers in the right way. She said the bill strikes an effective balance between the interests of consumers and industry. (Attachment 1)

The Chair asked for comments from those in attendance. Kevin Davis, Kansas Insurance Department, said the Kansas Insurance Department has worked closely with the proponents of this bill to make sure there are no problems.

Senator Steineger moved to approve the amendments to SB 170. Senator Olson seconded. Motion passed.

Senator Taddiken moved to pass out SB 170 as amended. Senator Schmidt seconded. Motion passed.

The Chair closed the hearing on **SB 170.**

The meeting was adjourned at 10:00 a.m.

