

40-5605. Vendor requirements; training; charges for insurance. (a) The employees and authorized representatives of vendors may sell or offer portable electronics insurance to customers at each location at which the vendor engages in portable electronics transactions and shall not be subject to licensure as an insurance producer under K.S.A. 40-4901 et seq., and amendments thereto, if:

(1) The vendor has a limited lines license to authorize its employees or authorized representatives to sell or offer portable electronics insurance pursuant to this section;

(2) the insurer complies with all statutes and regulations applicable to limited lines insurers;

(3) the insurer issuing the portable electronics insurance either directly supervises or appoints a supervising entity to supervise the administration of the program including development of a training program for employees and authorized representatives of the vendors. The training required by this subdivision shall comply with the following:

(A) The training shall be delivered to employees and authorized representatives of a vendor who is directly engaged in the activity of selling or offering portable electronics insurance.

(B) The training may be provided in electronic form. However, if conducted in an electronic form, the supervising entity shall implement a supplemental education program regarding the portable electronics insurance product that is conducted and overseen by licensed employees of the supervising entity.

(C) Each employee and authorized representative shall receive basic instruction about the portable electronics insurance offered to customers and the disclosures required under K.S.A. 2014 Supp. 40-5604, and amendments thereto.

(4) No employee or authorized representative of a vendor of portable electronics devices shall advertise, represent or otherwise hold one's self out as a nonlimited lines licensed insurance producer.

(b) The charges for portable electronics insurance coverage may be billed and collected by the vendor of portable electronics devices. Any charge to the customer for coverage that is not included in the cost associated with the purchase or lease of portable electronics devices or related services shall be separately itemized on the customer's bill. If the portable electronic insurance coverage is included in the cost associated with the purchase or lease of portable electronics devices or related services, the vendor shall clearly and conspicuously disclose to the customer that the portable electronics insurance coverage is included with the portable electronics or related services. Vendors billing and collecting such charges shall not be required to maintain such funds in a segregated account provided that the vendor is authorized by the insurer to hold such funds in an alternative manner and remits such amounts to the supervising entity within 60 days of receipt. All funds received by a vendor from a customer for the sale of portable electronics insurance shall be considered funds held in trust by the vendor in a fiduciary capacity for the benefit of the insurer. Vendors may receive compensation for billing and collection services.

History: L. 2011, ch. 75, § 5; L. 2012, ch. 44, § 2; July 1.