

## CHAPTER 25

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**INSURANCE**

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**HOUSE BILL 12-1071**

BY REPRESENTATIVE(S) Liston, Schafer S., Wilson;  
also SENATOR(S) Jahn, White, Williams S.

**AN ACT****CONCERNING PORTABLE ELECTRONICS INSURANCE.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **add** part 15 to article 4 of title 10 as follows:

**PART 15**  
**PORTABLE ELECTRONICS INSURANCE**

**10-4-1501. Definitions.** AS USED IN THIS PART 15, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CUSTOMER" MEANS A PERSON WHO PURCHASES PORTABLE ELECTRONICS OR SERVICES.

(2) "ENROLLED CUSTOMER" MEANS A CUSTOMER WHO ELECTS COVERAGE UNDER A PORTABLE ELECTRONICS INSURANCE POLICY ISSUED TO A VENDOR OF PORTABLE ELECTRONICS.

(3) "INSURER" MEANS ANY ADMITTED COMPANY OR AUTHORIZED COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT INSURANCE IN THIS STATE.

(4) "LOCATION" MEANS ANY PHYSICAL LOCATION IN THIS STATE OR ANY WEB SITE, CALL CENTER SITE, OR SIMILAR LOCATION DIRECTED TO RESIDENTS OF THIS STATE.

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(5) "PORTABLE ELECTRONICS" MEANS PERSONAL, SELF-CONTAINED, EASILY CARRIED BY AN INDIVIDUAL, BATTERY-OPERATED ELECTRONIC COMMUNICATION, VIEWING, LISTENING, RECORDING, GAMING, COMPUTING, OR GLOBAL POSITIONING DEVICES, INCLUDING CELL OR SATELLITE PHONES, PAGERS, PERSONAL GLOBAL POSITIONING SATELLITE UNITS, PORTABLE COMPUTERS, PORTABLE AUDIO LISTENING, WIRELESS DEVICES, VIDEO VIEWING OR RECORDING DEVICES, DIGITAL CAMERAS, VIDEO CAMCORDERS, PORTABLE GAMING SYSTEMS, DOCKING STATIONS, AUTOMATIC ANSWERING DEVICES, AND OTHER SIMILAR DEVICES AND THEIR ACCESSORIES, AND SERVICE RELATED TO THE USE OF SUCH DEVICES.

(6)(a) "PORTABLE ELECTRONICS INSURANCE" MEANS INSURANCE THAT PROVIDES COVERAGE FOR THE REPAIR OR REPLACEMENT OF PORTABLE ELECTRONICS THAT MAY PROVIDE COVERAGE FOR PORTABLE ELECTRONICS AGAINST ANY ONE OR MORE OF THE FOLLOWING CAUSES OF LOSS:

- (I) LOSS;
- (II) THEFT;
- (III) INOPERABILITY DUE TO MECHANICAL FAILURE OR MALFUNCTION;
- (IV) DAMAGE; OR
- (V) OTHER SIMILAR CAUSES OF LOSS.

(b) "PORTABLE ELECTRONICS INSURANCE" DOES NOT INCLUDE:

(I) A SERVICE CONTRACT OR EXTENDED WARRANTY THAT PROVIDES COVERAGE LIMITED TO THE REPAIR, REPLACEMENT, OR MAINTENANCE OF PROPERTY FOR THE OPERATIONAL OR STRUCTURAL FAILURE OF PROPERTY DUE TO A DEFECT IN MATERIALS, WORKMANSHIP, ACCIDENTAL DAMAGE FROM HANDLING, POWER SURGES, OR NORMAL WEAR AND TEAR;

(II) A SERVICE CONTRACT THAT IS IN EFFECT AS OF THE EFFECTIVE DATE OF THIS PART 15 THAT PROVIDES COVERAGE FOR THE LOSS OF PORTABLE ELECTRONICS ASSOCIATED WITH AN ONGOING SERVICE RELATIONSHIP BETWEEN A VENDOR AND A CONSUMER OR THAT IS OTHERWISE REGULATED PURSUANT TO RULES PROMULGATED BY THE COMMISSIONER;

(III) A POLICY OF INSURANCE COVERING A SELLER'S OR MANUFACTURER'S OBLIGATIONS UNDER A WARRANTY; OR

(IV) A HOMEOWNER'S, RENTER'S, PRIVATE PASSENGER AUTOMOBILE, COMMERCIAL MULTI-PERIL, OR SIMILAR POLICY.

(7) "PORTABLE ELECTRONICS TRANSACTION" MEANS:

(a) THE SALE OR LEASE OF PORTABLE ELECTRONICS BY A VENDOR TO A CUSTOMER; OR

(b) THE SALE OF A SERVICE RELATED TO THE USE OF PORTABLE ELECTRONICS BY

A VENDOR TO A CUSTOMER.

(8) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY THAT IS A LICENSED INSURER OR INSURANCE PRODUCER THAT IS AUTHORIZED BY AN INSURER TO SUPERVISE THE ADMINISTRATION OF A PORTABLE ELECTRONICS INSURANCE PROGRAM.

(9) "VENDOR" MEANS A PERSON IN THE BUSINESS OF ENGAGING IN PORTABLE ELECTRONICS TRANSACTIONS DIRECTLY OR INDIRECTLY.

**10-4-1502. Licensure of vendors.** (1) A VENDOR SHALL HOLD A LIMITED LINES PRODUCER LICENSE ISSUED BY THE DIVISION IN ACCORDANCE WITH PART 4 OF ARTICLE 2 OF THIS TITLE IN ORDER TO SELL OR OFFER COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS INSURANCE.

(2) A LIMITED LINES PRODUCER LICENSE ISSUED FOR THE PURPOSES OF THIS PART 15 AUTHORIZES AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF THE VENDOR TO SELL OR OFFER COVERAGE UNDER A POLICY OF PORTABLE ELECTRONICS INSURANCE TO A CUSTOMER AT EACH LOCATION AT WHICH THE VENDOR ENGAGES IN PORTABLE ELECTRONICS TRANSACTIONS.

(3) THE SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF VENDOR LOCATIONS THAT ARE AUTHORIZED TO SELL OR SOLICIT PORTABLE ELECTRONICS INSURANCE COVERAGE IN THIS STATE. UPON REQUEST BY THE COMMISSIONER AND WITH TEN DAYS' NOTICE TO THE SUPERVISING ENTITY, THE SUPERVISING ENTITY SHALL MAKE THE REGISTRY OPEN TO INSPECTION AND EXAMINATION BY THE COMMISSIONER DURING REGULAR BUSINESS HOURS OF THE SUPERVISING ENTITY.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE ISSUED PURSUANT TO THIS PART 15 AUTHORIZES THE LICENSEE AND ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ENGAGE IN THOSE ACTIVITIES THAT ARE PERMITTED IN THIS PART 15.

**10-4-1503. Requirements for sale of portable electronics insurance.** (1) AT EVERY LOCATION WHERE PORTABLE ELECTRONICS INSURANCE IS OFFERED TO CUSTOMERS, THE VENDOR SHALL MAKE BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO A PROSPECTIVE CUSTOMER THAT:

(a) DISCLOSE THAT PORTABLE ELECTRONICS INSURANCE MAY PROVIDE A DUPLICATION OF COVERAGE ALREADY PROVIDED BY A CUSTOMER'S HOMEOWNER'S INSURANCE POLICY, RENTER'S INSURANCE POLICY, OR OTHER SOURCE OF COVERAGE;

(b) STATE THAT THE ENROLLMENT BY THE CUSTOMER IN A PORTABLE ELECTRONICS INSURANCE PROGRAM IS NOT REQUIRED IN ORDER TO PURCHASE OR LEASE PORTABLE ELECTRONICS OR SERVICES;

(c) SUMMARIZE THE MATERIAL TERMS OF THE INSURANCE COVERAGE, INCLUDING:

(I) THE IDENTITY OF THE INSURER;

(II) THE IDENTITY OF THE SUPERVISING ENTITY;

(III) THE AMOUNT OF ANY APPLICABLE DEDUCTIBLE AND HOW IT IS TO BE PAID;

(IV) BENEFITS OF THE COVERAGE; AND

(V) KEY TERMS AND CONDITIONS OF COVERAGE, SUCH AS WHETHER PORTABLE ELECTRONICS MAY BE REPAIRED OR REPLACED WITH SIMILAR MAKE AND MODEL RECONDITIONED OR NONORIGINAL MANUFACTURER PARTS OR EQUIPMENT;

(d) SUMMARIZE THE PROCESS FOR FILING A CLAIM, INCLUDING A DESCRIPTION OF HOW TO RETURN PORTABLE ELECTRONICS AND THE MAXIMUM FEE APPLICABLE IF THE CUSTOMER FAILS TO COMPLY WITH ANY EQUIPMENT RETURN REQUIREMENTS; AND

(e) STATE THAT AN ENROLLED CUSTOMER MAY CANCEL ENROLLMENT FOR COVERAGE UNDER A PORTABLE ELECTRONICS INSURANCE POLICY AT ANY TIME, AND THAT THE PERSON PAYING THE PREMIUM WILL RECEIVE A REFUND OF ANY APPLICABLE UNEARNED PREMIUM.

(2) AN INSURER MAY OFFER PORTABLE ELECTRONICS INSURANCE ON A MONTH-TO-MONTH OR OTHER PERIODIC BASIS AS A GROUP OR MASTER COMMERCIAL INLAND MARINE POLICY ISSUED TO A VENDOR OF PORTABLE ELECTRONICS FOR ITS ENROLLED CUSTOMERS.

(3) A POLICY OF INSURANCE PROVIDES PRIMARY COVERAGE IN THE EVENT OF A COVERED LOSS UNDER MORE THAN ONE POLICY.

(4) EACH INSURER SHALL ESTABLISH ELIGIBILITY AND UNDERWRITING STANDARDS FOR CUSTOMERS ELECTING TO ENROLL IN COVERAGE FOR EACH PORTABLE ELECTRONICS INSURANCE PROGRAM.

**10-4-1504. Authority of vendors of portable electronics.** (1) THE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF VENDORS MAY SELL OR OFFER PORTABLE ELECTRONICS INSURANCE TO CUSTOMERS AND ARE NOT SUBJECT TO LICENSURE AS AN INSURANCE PRODUCER UNDER THIS TITLE IF:

(a) THE VENDOR OBTAINS A LIMITED LINES PRODUCER LICENSE TO AUTHORIZE ITS EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO SELL OR OFFER PORTABLE ELECTRONICS INSURANCE PURSUANT TO THIS SECTION;

(b) THE INSURER ISSUING THE PORTABLE ELECTRONICS INSURANCE EITHER DIRECTLY SUPERVISES, AUTHORIZES, 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 SUPERVISING ENTITY SHALL INCLUDE THE FOLLOWING IN THE TRAINING PROGRAM, WHICH MUST INCLUDE EMPLOYEES AND AUTHORIZED REPRESENTATIVES OF VENDORS WHO ARE DIRECTLY ENGAGED IN THE ACTIVITY OF SELLING OR OFFERING PORTABLE ELECTRONICS INSURANCE:

(I) A SUPPLEMENTAL EDUCATION PROGRAM REGARDING THE PORTABLE ELECTRONICS INSURANCE PRODUCT THAT IS CONDUCTED AND OVERSEEN BY LICENSED EMPLOYEES OF THE SUPERVISING ENTITY IF THE TRAINING PROGRAM IS PROVIDED IN ELECTRONIC FORMAT; AND

(II) INSTRUCTION TO EACH EMPLOYEE OR AUTHORIZED REPRESENTATIVE ABOUT THE PORTABLE ELECTRONICS INSURANCE OFFERED TO CUSTOMERS AND THE DISCLOSURES REQUIRED UNDER SECTION 10-4-1503; AND

(c) THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A VENDOR DOES NOT ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR HERSELF OUT AS A NONLIMITED LINES LICENSED INSURANCE PRODUCER.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A VENDOR SHALL NOT COMPENSATE EMPLOYEES OR AUTHORIZED REPRESENTATIVES OF A VENDOR BASED PRIMARILY ON THE NUMBER OF CUSTOMERS ENROLLED FOR PORTABLE ELECTRONICS INSURANCE COVERAGE, BUT THE VENDOR MAY COMPENSATE EMPLOYEES OR AUTHORIZED REPRESENTATIVES FOR ACTIVITIES UNDER THE LIMITED LINES LICENSE AS LONG AS THE COMPENSATION IS INCIDENTAL TO THE EMPLOYEE'S OR AUTHORIZED REPRESENTATIVE'S OVERALL COMPENSATION.

(3) A VENDOR MAY BILL AND COLLECT CHARGES FOR PORTABLE ELECTRONICS INSURANCE COVERAGE. A VENDOR SHALL SEPARATELY ITEMIZE ANY CHARGE TO THE ENROLLED CUSTOMER FOR COVERAGE THAT IS NOT INCLUDED IN THE COST ASSOCIATED WITH THE PURCHASE OR LEASE OF PORTABLE ELECTRONICS AND ANY RELATED SERVICES. IF THE PORTABLE ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE PURCHASE OR LEASE OF PORTABLE ELECTRONICS OR RELATED SERVICES, THE VENDOR SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE ENROLLED CUSTOMER THAT THE PORTABLE ELECTRONICS INSURANCE COVERAGE IS INCLUDED WITH THE PORTABLE ELECTRONICS OR RELATED SERVICES. VENDORS BILLING AND COLLECTING THE CHARGES ARE NOT REQUIRED TO MAINTAIN THE CHARGES IN A SEGREGATED ACCOUNT IF THE VENDOR IS AUTHORIZED BY THE INSURER TO HOLD THE CHARGES IN AN ALTERNATIVE MANNER AND REMITS THE CHARGES TO THE SUPERVISING ENTITY WITHIN SIXTY DAYS AFTER RECEIPT. ALL CHARGES RECEIVED BY A VENDOR FROM AN ENROLLED CUSTOMER FOR THE SALE OF PORTABLE ELECTRONICS INSURANCE ARE 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.

**10-4-1505. Suspension or revocation of license.** (1) IF A VENDOR OF PORTABLE ELECTRONICS OR ITS EMPLOYEE OR AUTHORIZED REPRESENTATIVE VIOLATES THIS PART 15, THE COMMISSIONER MAY TAKE DISCIPLINARY ACTION AGAINST THE VENDOR IN ACCORDANCE WITH PART 8 OF ARTICLE 2 OF THIS TITLE. A FINE IMPOSED AS DISCIPLINARY ACTION SHALL NOT EXCEED FIVE THOUSAND DOLLARS IN THE AGGREGATE FOR MULTIPLE VIOLATIONS ARISING FROM THE SAME OR SIMILAR CONDUCT.

(2) IN ADDITION TO OTHER PENALTIES AUTHORIZED BY PART 8 OF ARTICLE 2 OF THIS TITLE, THE COMMISSIONER MAY:

(a) SUSPEND THE PRIVILEGE OF TRANSACTING PORTABLE ELECTRONICS INSURANCE PURSUANT TO THIS PART 15 AT SPECIFIC BUSINESS LOCATIONS WHERE VIOLATIONS HAVE OCCURRED; AND

(b) SUSPEND OR REVOKE THE ABILITY OF INDIVIDUAL EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ACT UNDER THE LICENSE.

**10-4-1506. Termination of portable electronics insurance.**

(1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

(a) (I) EXCEPT AS SPECIFIED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH (a), AN INSURER MAY TERMINATE OR OTHERWISE CHANGE THE TERMS AND CONDITIONS OF A POLICY OF PORTABLE ELECTRONICS INSURANCE ONLY UPON PROVIDING THE VENDOR AND ENROLLED CUSTOMERS WITH AT LEAST THIRTY DAYS' NOTICE.

(II) AN INSURER MAY TERMINATE AN ENROLLED CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY UPON FIFTEEN DAYS' NOTICE FOR NONPAYMENT OF PREMIUM OR FOR DISCOVERY OF FRAUD OR MATERIAL MISREPRESENTATION IN OBTAINING COVERAGE OR IN THE PRESENTATION OF A CLAIM UNDER THE POLICY.

(III) AN INSURER MAY IMMEDIATELY TERMINATE AN ENROLLED CUSTOMER'S ENROLLMENT UNDER A PORTABLE ELECTRONICS INSURANCE POLICY:

(A) IF THE ENROLLED CUSTOMER CEASES TO HAVE AN ACTIVE SERVICE WITH THE VENDOR OF PORTABLE ELECTRONICS; OR

(B) IF AN ENROLLED CUSTOMER EXHAUSTS THE AGGREGATE LIMIT OF LIABILITY, IF ANY, UNDER THE TERMS OF THE PORTABLE ELECTRONICS INSURANCE POLICY AND THE INSURER SENDS NOTICE OF TERMINATION TO THE ENROLLED CUSTOMER WITHIN THIRTY CALENDAR DAYS AFTER EXHAUSTION OF THE LIMIT. IF NOTICE IS NOT TIMELY SENT, ENROLLMENT CONTINUES NOTWITHSTANDING THE AGGREGATE LIMIT OF LIABILITY UNTIL THE INSURER SENDS NOTICE OF TERMINATION TO THE ENROLLED CUSTOMER.

(b) IF THE INSURER CHANGES THE TERMS AND CONDITIONS, THEN THE INSURER SHALL PROVIDE THE VENDOR WITH A REVISED POLICY OR ENDORSEMENT AND SHALL PROVIDE EACH ENROLLED CUSTOMER WITH A REVISED CERTIFICATE, ENDORSEMENT, UPDATED BROCHURE, OR OTHER EVIDENCE INDICATING THAT A CHANGE IN THE TERMS AND CONDITIONS HAS OCCURRED AND A SUMMARY OF THE MATERIAL CHANGES;

(c) WHEN A VENDOR TERMINATES A PORTABLE ELECTRONICS INSURANCE POLICY, THE VENDOR SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH ENROLLED CUSTOMER ADVISING THE ENROLLED CUSTOMER OF THE TERMINATION OF THE POLICY AND THE EFFECTIVE DATE OF TERMINATION. THE INSURER SHALL MAIL OR DELIVER WRITTEN NOTICE TO THE ENROLLED CUSTOMER AT LEAST THIRTY DAYS BEFORE THE TERMINATION.

(d) (I) WHENEVER NOTICE OR CORRESPONDENCE WITH RESPECT TO A POLICY OF PORTABLE ELECTRONICS INSURANCE IS REQUIRED PURSUANT TO THIS PART 15 OR IS OTHERWISE REQUIRED BY LAW, THE INSURER, VENDOR, OR OTHER PERSON SHALL SEND IT IN WRITING WITHIN THE NOTICE PERIOD, IF ANY, SPECIFIED WITHIN THE STATUTE OR RULE REQUIRING THE NOTICE OR CORRESPONDENCE. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN INSURER, VENDOR, OR OTHER PERSON MAY SEND NOTICES AND CORRESPONDENCE BY EITHER MAIL OR ELECTRONIC MEANS.

(II) IF THE NOTICE OR CORRESPONDENCE IS MAILED, THE INSURER SHALL SEND IT TO THE VENDOR AT THE VENDOR'S MAILING ADDRESS SPECIFIED FOR SUCH PURPOSE AND TO ITS AFFECTED ENROLLED CUSTOMERS' LAST-KNOWN MAILING ADDRESSES ON FILE WITH THE INSURER. THE INSURER OR VENDOR SHALL MAINTAIN PROOF OF MAILING IN A FORM AUTHORIZED OR ACCEPTED BY THE UNITED STATES POSTAL SERVICE OR OTHER COMMERCIAL MAIL DELIVERY SERVICE.

(III) IF THE NOTICE OR CORRESPONDENCE IS SENT BY ELECTRONIC MEANS, THE INSURER SHALL SEND IT TO THE VENDOR AT THE VENDOR'S ELECTRONIC MAIL ADDRESS SPECIFIED FOR SUCH PURPOSE AND TO ITS AFFECTED ENROLLED CUSTOMERS' LAST-KNOWN ELECTRONIC MAIL ADDRESSES AS PROVIDED BY EACH ENROLLED CUSTOMER TO THE INSURER OR VENDOR. THE INSURER OR VENDOR SHALL MAINTAIN PROOF THAT THE NOTICE OR CORRESPONDENCE WAS SENT.

(IV) FOR PURPOSES OF THIS PARAGRAPH (d), AN ENROLLED CUSTOMER'S PROVISION OF AN ELECTRONIC MAIL ADDRESS TO THE INSURER OR VENDOR IS CONSENT TO RECEIVE NOTICES AND CORRESPONDENCE BY ELECTRONIC MEANS.

(e) THE SUPERVISING ENTITY APPOINTED BY THE INSURER MAY SEND NOTICE OR CORRESPONDENCE REQUIRED BY THIS SECTION OR OTHERWISE REQUIRED BY LAW ON BEHALF OF AN INSURER OR VENDOR.

**10-4-1507. Application for license - fees.** (1) AN APPLICANT FOR A LICENSE UNDER THIS PART 15 SHALL APPLY FOR A LICENSE IN ACCORDANCE WITH SECTION 10-2-404; EXCEPT THAT, IN LIEU OF PROVIDING INFORMATION FOR ALL OFFICERS, PARTNERS, AND DIRECTORS AS REQUIRED BY SECTION 10-2-404 (2), THE REQUIRED INFORMATION TO BE SUBMITTED FOR A LICENSE PURSUANT TO THIS PART 15 IS LIMITED TO THE INFORMATION PERTAINING TO AN EMPLOYEE OR OFFICER OF THE VENDOR THAT IS DESIGNATED BY THE APPLICANT AS THE PERSON RESPONSIBLE FOR THE VENDOR'S COMPLIANCE WITH THIS PART 15. IF THE VENDOR DERIVES MORE THAN FIFTY PERCENT OF ITS REVENUE FROM THE SALE OF PORTABLE ELECTRONICS INSURANCE, THE VENDOR SHALL PROVIDE THE LOCATION OF THE HOME OFFICE, NAME, RESIDENCE ADDRESS, AND OTHER INFORMATION REQUIRED BY THE COMMISSIONER FOR ALL OFFICERS, DIRECTORS, AND SHAREHOLDERS OF RECORD HAVING BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF ANY CLASS OF SECURITIES REGISTERED UNDER THE FEDERAL SECURITIES LAWS.

(2) FOR PURPOSES OF COMPLYING WITH SECTION 10-2-404 (2) (d), THE LICENSED PRODUCER DESIGNATED BY AN APPLICANT IS NOT REQUIRED TO BE AN OFFICER, PARTNER, EMPLOYEE, OR DIRECTOR OF THE APPLICANT.

(3) AN APPLICANT FOR A LICENSE PURSUANT TO THIS PART 15 IS EXEMPT FROM THE REQUIREMENTS OF SECTIONS 10-2-404 (2) (f) AND 10-2-406.

(4) ANY VENDOR ENGAGING IN PORTABLE ELECTRONICS INSURANCE TRANSACTIONS ON OR BEFORE THE EFFECTIVE DATE OF THIS PART 15 SHALL APPLY FOR LICENSURE WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS PART 15. ANY APPLICANT COMMENCING OPERATIONS AFTER THE EFFECTIVE DATE OF THIS PART 15 SHALL OBTAIN A LICENSE BEFORE OFFERING PORTABLE ELECTRONICS INSURANCE.

**SECTION 2. Act subject to petition - effective date.** This act takes effect January 1, 2013; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2012 and, in such case, will take effect on January 1, 2013, or on the date of the official declaration of the vote thereon by the governor, whichever is later.

Approved: March 19, 2012