

SENATE BILL NO. 1078

November 07, 2024, Introduced by Senators WEBBER and SINGH and referred to the Committee on Regulatory Affairs.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 1297.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1297. (1) Except as provided in subsections (2) and (3),
2 an insurer shall not terminate or otherwise change the terms and
3 conditions of a portable electronics insurance policy unless the
4 insurer provides the vendor that is the policyholder and enrolled
5 customers with at least 30 days' notice of the termination or
6 change. If the insurer changes the terms and conditions of the
7 policy, the insurer shall provide the vendor that is the

1 policyholder with a revised policy or endorsement and each enrolled
2 customer with a revised certificate, endorsement, updated brochure,
3 or other evidence indicating that a change in the terms and
4 conditions has occurred and a summary of material changes.

5 (2) An insurer may terminate an enrolled customer's enrollment
6 under a portable electronics insurance policy 15 days after
7 providing notice to the customer if the insurer discovers fraud or
8 material misrepresentation in obtaining coverage or in the
9 presentation of a claim under the policy.

10 (3) An insurer may immediately terminate an enrolled
11 customer's enrollment under a portable electronics insurance policy
12 for any of the following reasons:

13 (a) Nonpayment of premium.

14 (b) The enrolled customer has ceased to have an active service
15 with the vendor of the portable electronic device.

16 (c) The enrolled customer has exhausted the aggregate limit of
17 liability, if any, under the terms of the portable electronics
18 insurance policy and the insurer has sent notice of termination to
19 the enrolled customer within 30 calendar days after exhaustion of
20 the limit. However, if notice is not timely sent, enrollment must
21 continue notwithstanding that the aggregate limit of liability has
22 been exhausted until the insurer sends notice of termination to the
23 enrolled customer.

24 (4) If a portable electronics insurance policy is terminated
25 by a vendor policyholder, the vendor policyholder shall mail or
26 deliver written notice to each enrolled customer advising the
27 enrolled customer of the termination of the policy and the
28 effective date of termination. The vendor policyholder shall mail
29 or deliver the written notice to the enrolled customer at least 30

1 days before the vendor policyholder terminates the portable
2 electronics insurance policy.

3 (5) Any notice or correspondence required under this chapter
4 must be in writing. A notice or correspondence may be sent by mail
5 or by electronic means as provided in this subsection. If the
6 notice or correspondence is mailed, it must be sent to the vendor
7 of portable electronics at the vendor's mailing address specified
8 for such purpose and to its affected enrolled customers' last known
9 mailing addresses on file with the insurer. The insurer or vendor
10 of portable electronics, as applicable, shall maintain proof of
11 mailing in a form authorized or accepted by the United States
12 Postal Service or other commercial mail delivery service. If the
13 notice or correspondence is sent by electronic means, it must be
14 sent to the vendor of portable electronics at the vendor's email
15 address specified for such purpose and to its affected enrolled
16 customers' last known email address as provided by each enrolled
17 customer to the insurer or vendor of portable electronics, as the
18 case may be. For purposes of this subsection, an enrolled
19 customer's provision of an email address to the insurer or vendor
20 of portable electronics, as applicable, is considered consent to
21 receive notices and correspondence by electronic means. The insurer
22 or vendor of portable electronics, as applicable, shall maintain
23 proof that the notice or correspondence was sent.

24 (6) A notice or correspondence required by this section or
25 otherwise required by law may be sent on behalf of an insurer or
26 vendor, as applicable, by the supervising entity appointed by the
27 insurer.

28 Enacting section 1. This amendatory act does not take effect
29 unless all of the following bills of the 102nd Legislature are

1 enacted into law:

2 (a) Senate Bill No. 1069.

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4 (b) Senate Bill No. 1070.

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6 (c) Senate Bill No. 1071.

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8 (d) Senate Bill No. 1072.

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10 (e) Senate Bill No. 1073.

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12 (f) Senate Bill No. 1074.

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14 (g) Senate Bill No. 1075.

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16 (h) Senate Bill No. 1076.

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18 (i) Senate Bill No. 1077.