

HOUSE BILL NO. 6484

December 02, 2020, Introduced by Rep. Webber and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 1201, 1202, and 2266 (MCL 500.1201, 500.1202,
and 500.2266), section 1201 as amended by 2018 PA 449, section 1202
as amended by 2016 PA 114, and section 2266 as amended by 2018 PA
429, and by adding chapter 12B.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1201. As used in this chapter:

2 (a) "Agent" except as provided in section 1243 means an
3 insurance producer.

1 (b) "Agent of the insured" means an insurance producer who is
2 not an appointed insurance producer of the insurer with which the
3 insurance policy is placed. An agent of the insured is treated as
4 representing the insured or the insured's beneficiary and not the
5 insurer.

6 (c) "Agent of the insurer" means an insurance producer who
7 sells, solicits, or negotiates an application for insurance as a
8 representative of the insurer and not the insured or the insured's
9 beneficiary.

10 (d) "Business entity" means a corporation, association,
11 partnership, limited liability company, limited liability
12 partnership, or other legal entity.

13 (e) "Home state", except as provided in section 1224, means
14 the District of Columbia or any state or territory of the United
15 States in which an insurance producer maintains his or her
16 principal place of residence or principal place of business and is
17 licensed to act as an insurance producer.

18 (f) "Insurance" means any of the lines of authority in chapter
19 6.

20 (g) "Insurance producer" means a person required to be
21 licensed under the laws of this state to sell, solicit, or
22 negotiate insurance.

23 (h) "License" means a document issued by the director
24 authorizing a person to act as an insurance producer for the
25 qualifications specified in the document. The license itself does
26 not create any actual, apparent, or inherent authority in the
27 holder to represent or commit an insurer.

28 (i) "Limited line credit insurance" includes credit life,
29 credit disability, credit property, credit unemployment,

1 involuntary unemployment, mortgage life, mortgage guaranty,
2 mortgage disability, guaranteed automobile protection insurance,
3 and any other form of insurance offered in connection with an
4 extension of credit that is limited to partially or wholly
5 extinguishing that credit obligation that the director determines
6 should be designated a form of limited line credit insurance.

7 (j) "Limited line credit insurance producer" means a person
8 who sells, solicits, or negotiates 1 or more forms of limited line
9 credit insurance coverage to individuals through a master,
10 corporate, group, or individual policy.

11 (k) "Limited lines insurance" means any of the following:

12 (i) Marine insurance as defined in section 614.

13 (ii) Credit insurance as described in section 624(1)(e).

14 (iii) Surety and fidelity insurance as defined in section 628.

15 (iv) Legal expense insurance as defined in section 618.

16 (v) Livestock insurance as described in section 624(1)(g).

17 (vi) Malpractice insurance as described in section 624(1)(h).

18 (vii) Plate glass insurance as described in section 624(1)(c).

19 (viii) Any other miscellaneous insurance described in section
20 624(1)(i).

21 **(ix) Portable electronics insurance as defined in section 1280.**

22 (x) ~~(ix)~~ Any other line of insurance that the director
23 considers necessary to recognize to comply with section 1206a(5).

24 (l) "Limited lines producer" means a person authorized by the
25 director to sell, solicit, or negotiate limited lines insurance.

26 (m) "Negotiate" means the act of conferring directly with or
27 offering advice directly to a purchaser or prospective purchaser of
28 a particular contract of insurance concerning any of the

1 substantive benefits, terms, or conditions of the contract, if the
2 person engaged in that act either sells insurance or obtains
3 insurance from insurers for purchasers.

4 (n) "Sell" means to exchange a contract of insurance by any
5 means, for money or its equivalent, on behalf of an insurance
6 company.

7 (o) "Solicit" means attempting to sell insurance or asking or
8 urging a person to apply for a particular kind of insurance from a
9 particular company.

10 (p) "Terminate" means the cancellation of the relationship
11 between an insurance producer and the insurer or the termination of
12 a producer's authority to transact insurance.

13 Sec. 1202. (1) This chapter does not require an insurer to
14 obtain an insurance producer license. As used in this section, the
15 term "insurer" does not include an insurer's officers, directors,
16 employees, subsidiaries, or affiliates.

17 (2) A license as an insurance producer is not required of any
18 of the following:

19 (a) An officer, director, or employee of an insurer or of an
20 insurance producer, if the officer, director, or employee does not
21 receive any commission on policies written or sold to insure risks
22 residing, located, or to be performed in this state and meets 1 or
23 more of the following:

24 (i) The officer's, director's, or employee's activities are
25 executive, administrative, managerial, clerical, or a combination
26 of these, and are only indirectly related to the sale,
27 solicitation, or negotiation of insurance.

28 (ii) The officer's, director's, or employee's function relates
29 to underwriting, loss control, inspection, or the processing,

1 adjusting, investigating, or settling of a claim on a contract of
2 insurance.

3 (iii) The officer, director, or employee is acting in the
4 capacity of a special agent or agency supervisor assisting
5 insurance producers if the person's activities are limited to
6 providing technical advice and assistance to licensed insurance
7 producers and do not include the sale, solicitation, or negotiation
8 of insurance.

9 (b) A person who performs and receives no commission for any
10 of the following services:

11 (i) Securing and furnishing information for the purpose of
12 group life insurance, group property and casualty insurance, group
13 annuities, or group or blanket accident and health insurance.

14 (ii) Securing and furnishing information for the purpose of
15 enrolling individuals under plans, issuing certificates under
16 plans, or otherwise assisting in administering plans.

17 (iii) Performing administrative services related to mass
18 marketed property and casualty insurance.

19 (c) An employer or association or its officers, directors,
20 employees, or the trustees of an employee trust plan, to the extent
21 that the employers, officers, employees, directors, or trustees are
22 engaged in the administration or operation of a program of employee
23 benefits for the employer's or association's own employees or the
24 employees of its subsidiaries or affiliates, which program involves
25 the use of insurance issued by an insurer, if the employers,
26 associations, officers, directors, employees, or trustees are not
27 in any manner compensated, directly or indirectly, by the company
28 issuing the contracts.

29 (d) Employees of insurers or organizations employed by

1 insurers who are engaging in the inspection, rating, or
2 classification of risks, or in the supervision of the training of
3 insurance producers and who are not individually engaged in the
4 sale, solicitation, or negotiation of insurance.

5 (e) A person whose activities in this state are limited to
6 advertising without the intent to solicit insurance in this state
7 through communications in printed publications or other forms of
8 electronic mass media, the distribution of which is not limited to
9 residents of this state, if the person does not sell, solicit, or
10 negotiate insurance that would insure risks residing, located, or
11 to be performed in this state.

12 (f) A person who is not a resident of this state who sells,
13 solicits, or negotiates a contract of insurance for commercial
14 property and casualty risks to an insured with risks located in
15 more than 1 state insured under that contract, if the person is
16 otherwise licensed as an insurance producer to sell, solicit, or
17 negotiate that insurance in the state where the insured maintains
18 its principal place of business and the contract of insurance
19 insures risks located in that state.

20 (g) A salaried full-time employee who counsels or advises his
21 or her employer concerning the insurance interests of the employer
22 or of the subsidiaries or business affiliates of the employer, if
23 the employee does not sell or solicit insurance or receive a
24 commission.

25 (h) A person whose only sale of insurance is for travel or
26 auto-related insurance sold in connection with and incidental to
27 the rental of a motor vehicle under a rental agreement for a period
28 not to exceed 90 days.

29 (i) ~~A-Subject to subsection (3),~~ a person whose only sale of

1 insurance is for portable electronics insurance sold in connection
2 with and incidental to the sale of a portable electronic device if
3 written disclosure material is provided to the customer at the time
4 of solicitation and the written material includes all of the
5 following:

6 (i) A disclosure that portable electronics insurance may
7 duplicate coverage already provided by the customer's homeowners,
8 renters, or other insurance policies.

9 (ii) A statement that the enrollment by the customer in a
10 portable electronics insurance program is not required to purchase
11 or lease a portable electronic device or services for the device.

12 (iii) A summary of the material terms of the portable
13 electronics insurance coverage, including all of the following:

14 (A) The identity of the insurer.

15 (B) The amount of any applicable deductible and how it is to
16 be paid.

17 (C) The benefits of the coverage.

18 (D) Key terms and conditions of the coverage, such as whether
19 the portable electronics may be repaired or replaced with a similar
20 make and model or reconditioned or nonoriginal manufacturer parts
21 or equipment.

22 (iv) A summary of the process for filing a claim, including a
23 description of how to return a portable electronic device and the
24 maximum fee applicable if the customer fails to comply with
25 equipment return requirements.

26 (v) A statement that the customer may cancel enrollment for
27 coverage under a portable electronics insurance policy at any time
28 and that the person paying the premium will receive a refund of or
29 credit for any unearned premium.

1 (j) A person whose only sale of insurance is for travel
2 insurance sold in conjunction with and incidental to planned
3 travel.

4 (k) A person whose only sale of insurance is stored property
5 insurance sold in connection with and incidental to the rental of
6 storage space in a self-service storage facility under a rental
7 agreement for a period not to exceed 1 year if written disclosure
8 material is provided to the customer at the time of solicitation
9 and the written material includes all of the following:

10 (i) A disclosure that the stored property insurance may
11 duplicate coverage already provided by the customer's homeowners,
12 renters, or other insurance policies.

13 (ii) A summary of the material terms of the stored property
14 insurance coverage, including all of the following:

15 (A) The identity of the insurer.

16 (B) The benefits of the coverage.

17 (C) The key terms and conditions of the coverage.

18 (iii) A summary of the process for filing a claim.

19 **(3) Subsection (2)(i) does not apply after 60 days after the**
20 **department furnishes a limited line portable electronics insurance**
21 **producer license application under section 1286.**

22 **(4) ~~(3)~~—As used in this section:**

23 (a) "Motor vehicle" means a motorized vehicle designed for
24 transporting passengers or goods.

25 (b) "Self-service storage facility" means that term as defined
26 in section 2 of the self-service storage facility act, 1985 PA 148,
27 MCL 570.522.

28 (c) "Stored property insurance" means insurance that provides
29 coverage for the loss of, or damage to, tangible personal property

1 with an insured value not exceeding \$10,000.00 contained in a
2 storage space located on a self-service storage facility or in
3 transit during the term of a self-service storage facility rental
4 agreement and that is provided under a group or master policy
5 issued to a self-service storage facility for the provision of
6 insurance to its customers.

7 (d) "Travel insurance" means a limited lines insurance
8 coverage under section ~~1201(i)~~**1201(k)** for personal risk incident
9 to planned travel, including 1 or more of the following:

10 (i) Interruption or cancellation of a trip or event.

11 (ii) Loss of baggage or personal effects.

12 (iii) Damages to accommodations or rental vehicles.

13 (iv) Sickness, accident, disability, or death occurring during
14 travel.

15 (e) Travel insurance does not include major medical plans,
16 which provide comprehensive medical protection for travelers with
17 trips lasting 6 months or longer, including, for example, those
18 working overseas as an expatriate or military personnel being
19 deployed.

20 CHAPTER 12B

21 PORTABLE ELECTRONICS INSURANCE

22 Sec. 1280. As used in this chapter:

23 (a) "Customer" means a person that purchases portable
24 electronics or services.

25 (b) "Enrolled customer" means a customer that elects coverage
26 under a portable electronics insurance policy issued to a vendor.

27 (c) "License" means that term as defined in section 1201.

28 (d) "Limited line portable electronics insurance producer"
29 means a vendor that holds a license issued under this chapter.

1 (e) "Location" means a physical location in this state or a
2 website, call center site, or similar location directed to
3 residents of this state.

4 (f) "Portable electronic device" means an electronic device
5 that is portable and includes accessories or services related to
6 the use of that electronic device.

7 (g) "Portable electronics insurance" means insurance that
8 provides coverage for the repair or replacement of a portable
9 electronic device, including, but not limited to, insurance that
10 provides coverage for a portable electronic device against loss,
11 theft, inoperability because of mechanical failure, malfunction,
12 damage, or other similar causes of loss. Portable electronics
13 insurance does not include any of the following:

14 (i) A service contract as that term is defined in section 125.

15 (ii) A policy of insurance covering a seller's or
16 manufacturer's obligations under a warranty.

17 (iii) A homeowner's, renter's, automobile insurance (limited),
18 or similar insurance policy.

19 (h) "Portable electronics insurance program" means a program
20 established by a vendor in which the vendor enrolls a customer in
21 portable electronics insurance coverage sold or offered under
22 section 1281.

23 (i) "Portable electronics transaction" means any of the
24 following:

25 (i) A sale or lease of a portable electronic device.

26 (ii) A sale of a service related to a portable electronic
27 device.

28 (j) "Supervising entity" means a business entity that is an
29 insurance producer or insurer.

1 (k) "Vendor" means a person in the business of directly or
2 indirectly engaging in portable electronics transactions.

3 Sec. 1281. (1) A vendor who is not an insurance producer shall
4 not sell or offer coverage under a portable electronics insurance
5 policy to a customer unless the vendor is a limited line portable
6 electronics insurance producer. A license issued to a vendor under
7 this chapter authorizes any employee or authorized representative
8 of the vendor to sell or offer coverage under a policy of portable
9 electronics insurance to a customer at any location at which the
10 vendor engages in portable electronics transactions.

11 (2) The supervising entity shall maintain a registry of
12 locations that are authorized to sell or solicit portable
13 electronics insurance in this state. On the director's request and
14 within 10 days' notice to the supervising entity, the registry must
15 be open to inspection and examination by the director during the
16 vendor's regular business hours.

17 Sec. 1282. (1) At each location where a vendor offers portable
18 electronics insurance to customers, the vendor shall make brochures
19 or other written materials available to a prospective customer. The
20 brochures or other written materials must do all of the following:

21 (a) Disclose that portable electronics insurance may provide a
22 duplication of coverage already provided by the customer's
23 homeowner's insurance policy, renter's insurance policy, or other
24 insurance coverage.

25 (b) State that the enrollment by the customer in a portable
26 electronics insurance program is not required to purchase or lease
27 a portable electronic device or services for the device.

28 (c) Summarize the material terms of the portable electronics
29 insurance coverage, including at least all of the following:

1 (i) The identity of the insurer.

2 (ii) The identity of the supervising entity.

3 (iii) The amount of any applicable deductible and how it is to
4 be paid.

5 (iv) Benefits of the coverage.

6 (v) Key terms and conditions of the coverage, such as whether
7 portable electronics may be repaired or replaced with similar make
8 and model reconditioned or nonoriginal manufacturer parts or
9 equipment.

10 (d) Summarize the process for filing a claim, including a
11 description of how to return a portable electronic device and the
12 maximum fee applicable if the customer fails to comply with any
13 equipment return requirements.

14 (e) State that the customer may cancel enrollment for coverage
15 under a portable electronics insurance policy at any time and that
16 the person paying the premium will receive a refund of any
17 applicable unearned premium.

18 (2) The written materials required by this section are not
19 subject to filing or approval requirements with the director.

20 (3) Portable electronics insurance may be offered on a month-
21 to-month or other periodic basis as a group or master commercial
22 marine insurance policy issued to the vendor for its enrolled
23 customers. As used in this subsection, "marine insurance" means
24 marine insurance as described in section 614(2).

25 (4) An insurer issuing a policy of portable electronics
26 insurance shall establish eligibility and underwriting standards
27 for customers electing to enroll in coverage for each portable
28 electronics insurance program.

29 Sec. 1283. (1) An employee or authorized representative of a

1 vendor may sell or offer portable electronics insurance under this
2 chapter to customers without an insurance producer license if all
3 of the following conditions are met:

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

8 (b) The insurer issuing the portable electronics insurance
9 coverage either directly supervises or appoints a supervising
10 entity to supervise the administration of the portable electronics
11 insurance coverage program, including development of a training
12 program for employees and authorized representatives of the
13 vendors. The training required under this subdivision must comply
14 with all of the following:

15 (i) The training must be delivered to employees and authorized
16 representatives of a vendor who are directly engaged in the
17 activity of selling or offering portable electronics insurance
18 coverage.

19 (ii) The training may be provided in electronic form. If the
20 training is conducted in electronic form, the supervising entity
21 shall implement a supplemental education program regarding portable
22 electronics insurance that is conducted and overseen by employees
23 of the supervising entity who are licensed insurance producers.

24 (iii) The training must provide basic instruction about the
25 portable electronics insurance coverage offered to customers and
26 the disclosures required under section 1282.

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

1 (2) A vendor shall not compensate the vendor's employee or
2 authorized representative based primarily on the number of
3 customers enrolled for portable electronics insurance coverage. A
4 vendor may compensate the vendor's employee or authorized
5 representative for activities under the vendor's limited line
6 portable electronics insurance producer license that are incidental
7 to the employee's or authorized representative's overall
8 compensation.

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

29 Sec. 1284. If a vendor or an employee or authorized

1 representative of a vendor violates this chapter, the director may
2 do any of the following:

3 (a) After notice and hearing, impose an administrative fine of
4 not more than \$500.00 for each violation. However, the director may
5 not assess administrative fines under this chapter against any
6 person that in the aggregate are more than \$5,000.00 for multiple
7 violations that involve the same conduct, action, or practice.

8 (b) After notice and hearing, impose other penalties that the
9 director considers necessary and reasonable to carry out the
10 purpose of this act, including, but not limited to, any of the
11 following:

12 (i) Suspending the vendor's limited line portable electronics
13 insurance producer license.

14 (ii) Suspending or revoking the ability of individual employees
15 or authorized representatives to act under the vendor's license.

16 Sec. 1285. (1) Except as provided in subsections (2) and (3),
17 an insurer shall not terminate or otherwise change the terms and
18 conditions of a portable electronics insurance policy unless the
19 insurer provides the vendor that is the policyholder and enrolled
20 customers with at least 30 days' notice of the termination or
21 change. If the insurer changes the terms and conditions of the
22 policy, the insurer shall provide the vendor that is the
23 policyholder with a revised policy or endorsement and each enrolled
24 customer with a revised certificate, endorsement, updated brochure,
25 or other evidence indicating that a change in the terms and
26 conditions has occurred and a summary of material changes.

27 (2) An insurer may terminate an enrolled customer's enrollment
28 under a portable electronics insurance policy 15 days after
29 providing notice to the customer if the insurer discovers fraud or

1 material misrepresentation in obtaining coverage or in the
2 presentation of a claim under the policy.

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

6 (a) Nonpayment of premium.

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

9 (c) The enrolled customer has exhausted the aggregate limit of
10 liability, if any, under the terms of the portable electronics
11 insurance policy and the insurer has sent notice of termination to
12 the enrolled customer within 30 calendar days after exhaustion of
13 the limit. However, if notice is not timely sent, enrollment must
14 continue notwithstanding that the aggregate limit of liability has
15 been exhausted until the insurer sends notice of termination to the
16 enrolled customer.

17 (4) If a portable electronics insurance policy is terminated
18 by a vendor policyholder, the vendor policyholder shall mail or
19 deliver written notice to each enrolled customer advising the
20 enrolled customer of the termination of the policy and the
21 effective date of termination. The vendor policyholder shall mail
22 or deliver the written notice to the enrolled customer at least 30
23 days before the vendor policyholder terminates the portable
24 electronics insurance policy.

25 (5) Any notice or correspondence required under this chapter
26 must be in writing. A notice or correspondence may be sent by mail
27 or by electronic means as provided in this subsection. If the
28 notice or correspondence is mailed, it must be sent to the vendor
29 of portable electronics at the vendor's mailing address specified

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

18 (6) A notice or correspondence required by this section or
19 otherwise required by law may be sent on behalf of an insurer or
20 vendor, as applicable, by the supervising entity appointed by the
21 insurer.

22 Sec. 1286. (1) A vendor seeking a limited line portable
23 electronics insurance producer license under this chapter shall
24 file a sworn application for a license with the department on forms
25 prescribed and furnished by the department. The department shall
26 develop and furnish the application under this subsection.

27 (2) An application for a license under this chapter must do
28 all of the following:

29 (a) Provide the name, residence address, and other information

1 required by the office for an employee or officer of the vendor
2 that is designated by the applicant as the person responsible for
3 the vendor's compliance with the requirements of this chapter.
4 However, if the vendor derives more than 50% of its revenue from
5 the sale of portable electronics insurance, the vendor shall
6 provide the name, residence address, and other information required
7 by the department of all of the vendor's officers, directors, and
8 shareholders of record who have beneficial ownership of 10% or more
9 of any class of securities registered under federal securities
10 laws.

11 (b) Provide the location of the applicant's home office.

12 (3) An initial limited line portable electronics insurance
13 producer license issued under this chapter expires 24 months after
14 the issue date assigned by the department.

15 (4) A vendor licensed under this chapter shall pay the
16 department a fee in the amount determined by the department. The
17 fee established by the department must not exceed \$1,000.00 for an
18 initial limited line portable electronics insurance producer
19 license or \$500.00 for each renewal of that license. However, if a
20 vendor is engaged in portable electronic device transactions at 10
21 or fewer locations in this state, the fee must not exceed \$100.00
22 for an initial license or a renewal.

23 Sec. 2266. (1) Subject to the requirements of this section, a
24 notice to a party or any other document that is required in an
25 insurance transaction or that is to serve as evidence of insurance
26 coverage may be delivered, stored, and presented by electronic
27 means if it meets the requirements of the uniform electronic
28 transactions act, 2000 PA 305, MCL 450.831 to 450.849.

29 (2) Electronic delivery of a notice or document as provided in

1 this section is equivalent to any delivery method otherwise
2 required by law, including delivery by first-class mail, first-
3 class mail postage prepaid, certified mail, or certificate of
4 mailing.

5 (3) If an insurer has reason to believe that a party is not
6 receiving notices or documents that the insurer attempts to deliver
7 by electronic means, including if the insurer attempts delivery by
8 electronic means and receives a notice that the delivery by
9 electronic means has failed, the insurer shall deliver the notices
10 or documents by first-class mail or by any other delivery method
11 required for the notices or documents.

12 (4) An insurer may use electronic delivery of a notice or a
13 document to a party under this section if the insurer meets the
14 requirements of subsection (5) and if all of the following
15 requirements are met:

16 (a) The party has affirmatively consented to the electronic
17 delivery method and has not withdrawn consent.

18 (b) Before obtaining consent, the insurer provides the party
19 with a clear and conspicuous statement informing the party of all
20 of the following:

21 (i) The right of the party at any time to have the notice or
22 the document provided or made available in paper form or by another
23 nonelectronic form.

24 (ii) The right of the party at any time to withdraw consent to
25 have a notice or document delivered by electronic means and any
26 conditions or consequences imposed if consent is withdrawn.

27 (iii) The specific notice or document or categories of notices
28 or documents that may be delivered by electronic means during the
29 course of the relationship between the insurer and the party.

1 (iv) The means, after consent is given, by which the party may
2 obtain a paper copy of a notice or document delivered by electronic
3 means.

4 (v) The procedures for the party to follow to update
5 information needed to contact the party electronically and to
6 withdraw consent to have a notice or a document delivered by
7 electronic means.

8 (c) Before obtaining consent, the insurer provides the party
9 with a statement of the hardware and software requirements for
10 access to and retention of a notice or document delivered by
11 electronic means. The party shall provide electronic consent to the
12 hardware and software requirements or confirm consent
13 electronically in a manner that reasonably demonstrates that the
14 party can access information in the electronic form that will be
15 used for notices or documents delivered by electronic means.

16 (5) After the party consents as provided in subsection (4), if
17 a change occurs in hardware or software needed to access or retain
18 a notice or document delivered by electronic means that creates a
19 material risk that the party will not be able to access or retain a
20 notice or document to which consent applies, the insurer shall
21 provide the party with a statement that includes all of the
22 following:

23 (a) Information regarding the revised hardware or software
24 requirements for access to and retention of a notice or document
25 delivered by electronic means.

26 (b) A description of the right of the party to withdraw
27 consent without the imposition of any condition or consequence that
28 was not disclosed under subsection (4) (b) (ii) .

29 (6) Withdrawal of consent to electronic delivery does not

1 affect the legal effectiveness, validity, or enforceability of a
2 notice or a document that is delivered by electronic means to a
3 party before the withdrawal of consent is effective.

4 (7) Except as otherwise provided in this subsection,
5 withdrawal of consent by a party becomes effective 30 days after
6 the insurer receives notice of the withdrawal. Consent is
7 automatically withdrawn if the insurer learns that the electronic
8 delivery method currently used is no longer an effective delivery
9 mechanism.

10 (8) Failure by an insurer to comply with subsection (5) may be
11 treated, at the election of the party, as a withdrawal of consent.

12 (9) This section must not be construed to modify, limit, or
13 supersede the federal electronic signatures in global national
14 commerce act, 15 USC 7001 to 7031.

15 (10) An insurance producer is not subject to civil liability
16 for any harm or injury to a party that occurs as a result of either
17 of the following:

18 (a) The party's consent under subsection (4) to receive a
19 notice or a document delivered by electronic means under this
20 section.

21 (b) An insurer's failure to deliver a notice or document by
22 electronic means unless the insurance producer causes the harm or
23 injury.

24 (11) This section does not apply to ~~a health~~ **either of the**
25 **following:**

26 (a) **A health** insurer or health maintenance organization.

27 (b) **Chapter 12B.**

28 (12) As used in this section:

29 (a) "Delivered by electronic means", "delivery by electronic

1 means", ~~or~~ **and** "electronic delivery" mean delivery by either of the
2 following methods:

3 (i) Delivery to an electronic mail address at which a party has
4 consented to receive notices or documents.

5 (ii) Both of the following:

6 (A) Posting on an electronic network or site accessible by the
7 internet through use of a mobile application, computer, mobile
8 device, tablet, or any other electronic device.

9 (B) Sending separate notice of the posting described in sub-
10 subparagraph (A) to the electronic mail address at which the party
11 consented to receive notice of the posting or using any other
12 delivery method to which the party has consented.

13 (b) "Party" means a recipient of a notice or document required
14 as part of an insurance transaction and includes an applicant,
15 insured, policy holder, or annuity contract holder.