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**House of Representatives**  
Commonwealth of Pennsylvania  
Harrisburg

**House Committees:**  
Aging and Older Adult Services  
Insurance  
Professional Licensure  
Transportation

**MEMORANDUM**

**TO:** All House Members  
**FROM:** Representative Marguerite Quinn  
**DATE:** October 27, 2011  
**SUBJECT:** Co-Sponsorship of Legislation – Portable Electronics Insurance

In the near future, I will introduce legislation clarifying the application of Pennsylvania's Insurance Law's to those entities offering "portable electronics insurance" in the Commonwealth and providing for consumer protections in the offering and sale of such coverage. Portable electronics insurance is coverage for the repair or replacement of portable electronics against one or more of the following: Loss, theft, inoperability due to mechanical failure, malfunction, damage or other similar causes of loss.

As wireless devices have become an integral part of our everyday lives their functionalities have expanded exponentially and with these developments the cost of these devices has also risen. Portable electronics insurance not only ensures that a consumer's investment in such a device is protected, but also ensures that a consumer has very little down time. Staying connected in today's world is crucial and this product ensures that consumers stay connected.

While presently one can purchase portable electronic insurance coverage in Pennsylvania, generally at the point of sale, there is a lack of clarity on the licensing structure needed to make sure consumers are protected under the state's insurance laws in these transactions. The approach set forth in this piece of legislation ensures a balanced regulatory structure and licensing framework that would avoid the need to license every individual on the floor of every retailer in Pennsylvania that offers this insurance to consumers while also providing crucial consumer protection and disclosures. This bill works in conjunction with existing insurance producer licensing laws. This model is consistent with the national trend regarding the regulation of this product as it creates an efficient and fair licensing framework for the entities offering this product to consumers and gives regulators the authority they need to effectively oversee these activities. Laws similar to this have been enacted into law in Minnesota, Maryland, New York, California, Texas, Florida, Washington, Georgia, and New Mexico.

In summary, this bill is a good bill not only for the retailers of Pennsylvania but also for the consumers of Pennsylvania 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 Pennsylvania consumers in the right way. The bill strikes an effective balance between the interests of consumers and industry.

Thank you for your consideration. If you wish to co-sponsor this legislation, please contact Nicole Wilbourn in my office at [nwilbour@pahousegop.com](mailto:nwilbour@pahousegop.com) or 717-772-1413.