

Senate Financial Institutions & Insurance Committee
House Bill 2106
March 13, 2013
Testimony of Asurion

Mr. Chairman, Members of the Committee. I am John Peterson and am pleased to present testimony on behalf of Asurion in support of HB 2106.

Asurion is the leading provider of handset protection programs in the country and has joined forces with leading wireless carriers throughout the world to bring portable electronics insurance to their customers. Asurion has established corporate offices in Kansas City and currently employs over 200 employees in those offices in addition to over 300 more in the greater Kansas City area.

HB 2106 makes one amendment to the Kansas Portable Electronics Insurance Act. Current law enacted two years ago limits amendments to a policy of portable electronics insurance to one in any six month period. We believe this restricts the flexibility of companies to meet their clients' needs and makes it difficult to institute changes uniformly and at the same time throughout the Country. It also serves no real public purpose as an unlimited number of changes can be made by that one amendment under the current law.

A wireless carrier may want to roll out a new program nationally which requires a change to the insurance policy. If Asurion has recently made a change to its policies and a wireless carrier comes to Asurion less than six months after the change was made with a new program the wireless carrier is implementing nationally for its customers and the new program requires a change to the policy, then the wireless carrier would be unable to roll the program out nationally under the current law in Kansas. It would have to wait until the six months has passed if it wanted to roll the program out to all states at the same time. As you can imagine, this would create significant obstacles for a national program with respect to marketing materials, commercials, billing systems, point of sale systems, etc. Accordingly, we are proposing to delete the six month restriction.

Any changes to a policy must be approved by the Kansas Insurance Department and once approved, then be communicated in writing to each insured. It is important to remember that enrollment under these policies can be cancelled at any time by a consumer and a pro rata refund must be provided upon cancellation.

Currently at least 43 states have enacted Portable Electronic Insurance legislation. This amendment will make the Kansas law consistent with the substantial majority of those laws. I would be pleased to respond to any questions.