

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

Before the Insurance Administrator
Department of Consumer and Business Services

In the Matter of Adopting OAR 836-071-0550,)	
836-071-0560, 836-071-0565 and 836-071-0570)	
Relating to Requiring Vendors to Obtain a)	SUMMARY OF TESTIMONY
Limited License to Sell Portable Electronics)	AND HEARING OFFICER'S
Insurance)	RECOMMENDATION

Procedures Followed

On October 14, 2011, the Director of the Department of Consumer and Business Services filed with the Secretary of State a Notice of Proposed Rulemaking Hearing (Notice), giving notice that the Director proposed to begin rulemaking to require that vendors who sell or lease portable electronics devices, such as cell phones or electronic tablets, must obtain a limited insurance producer license from the Department of Consumer and Business Services before issuing, selling or offering portable electronics insurance coverage to customers. These rules establish the vendor application and renewal requirements, including fees, and training requirements for a vendor's employees, agents or authorized representatives.

The Notice announced that a public hearing on the proposed rules would be held on December 7, 2011, and that interested persons could submit comments through December 14, 2011. The Notice was filed with a Statement of Need and Fiscal Impact which included a Statement of Statutory Authority, Need for the Rules, Documents Relied Upon, Fiscal and Economic Impact, Statement of Cost of Compliance, and Advisory Committee Consultation. A copy of the Notice was published in the Secretary of State's Oregon Bulletin of November 2011. Copies of the Statement of Need and Fiscal Impact and the Notice of Proposed Rulemaking Hearing were delivered or mailed to representatives of telecommunication companies, insurance companies, and small business retailers, to persons on the Division mailing list established under the Administrative Procedures Act, to legislators who are required by law to be notified, and to the press and to other interested persons. Copies were also made available to interested persons through the Division's e-notify system and were posted on the Division's Web site.

The Division conducted an advisory committee meeting and solicited information from the participants about the fiscal impact of these rules. The committee reviewed the proposed fiscal impact and agreed that the fiscal impact from this rule is unknown and may vary among insurers, insurance producers, and vendors. It is anticipated that only a small number of vendors (such as retailers of telecommunication equipment or services) will apply for the limited license.

Testimony Received and Hearing Officer Recommendation

The hearing was held as scheduled. Jeannette Holman, Senior Policy Analyst, was the hearing officer. Shawn Miller, Miller Public Affairs, attended the hearing on behalf of Assurion and testified in support of the proposed rules. Darrell Granger, Regional Director, Government Relations, for Assurant attended the hearing but declined to testify. The Division received no written comments.

The hearing officer recommends that the proposed rules be adopted without changes.

The rulemaking was reviewed again for its economic effect on businesses, including small businesses, and there is no need for further change. The rulemaking is within the Director's rulemaking authority, and applicable rulemaking procedures were complied with.

Signed this 15th day of December 2011.

Department of Consumer and Business Services
/s/

Jeannette Holman, Hearing Officer

This Summary and Recommendation are reviewed and adopted.

Signed this 15th day of December 2011.

Department of Consumer and Business Services
/s/

Lou Savage, Acting Insurance Administrator