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CHAMBER ACTION

Senate House

Representative(s) Kravitz offered the following:

Substitute Amendment for Amendment (375235)

Remove line(s) 46-59 and insert:

- h. Insurance covering communications insurance when the insurance is included at no additional charge with the purchase of a service contract and the service contract is not available separately and when the person paying for the insurance:
- (I) Has an ongoing contractual interest or other economic interest in the communications equipment;
- (II) Requires the communications equipment to deliver its services;
- Discloses the cost of the insurance at the time the (III) communications equipment is sold;
- (IV) Provides the insurance to every person who purchases a service warranty contract on the equipment and does not 698659

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provide the insurance to anyone who does not purchase a service
warranty contract on the equipment;

- (V) Discloses in writing the premium paid to the insurer for the insurance, on a monthly basis for each item, to the covered customer at the time the communications equipment is sold and on the monthly bill provided to the covered customer;
- (VI) Provides the insurance at no additional cost to every person who purchases a service warranty contract on the equipment and discloses to each customer to which a service warranty contract is offered that the insurance is available separately to anyone who does not purchase a service warranty contract on the equipment for the same monthly premium disclosed pursuant to sub-sub-subparagraph (III);
- (VII) Provides to each insured a separate certificate or policy of insurance that includes the name, address and toll-free telephone number of the insurer and instructions for filing a claim under the certificate or policy of insurance; and

For purposes of this sub-subparagraph, the term "communications equipment" means handsets, pagers, or personal digital assistants used to originate or receive communications signals or service.

4. An officer of the service warranty association certifies, under oath, annually to the Office of Insurance Regulation that the retail charge for the service warranty contract described in sub-sub-subparagraph (IV) does not include any cost or charge for the insurance provided under this subsubparagraph.

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	5.	S	Service	warra	anty	contra	ct fe	es ma	ay not	be	used	in	any
mann	er	to	direct	ly or	ind	irectly	fund	the	cost	of	claims	ur	nder
the insurance certificate or policy.													

 $\underline{6.4.}$ Using the word "free" or words which imply the