

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON INSURANCE
Lisa Calderon, Chair
AB 1800 (Krell) – As Introduced February 10, 2026

SUBJECT: Portable electronics and optical products insurance

SUMMARY: Redefines the existing limited line for portable electronics insurance to include insurance for optical products. Specifically, **this bill**:

- 1) Modifies the statute governing the portable electronics insurance limited line to instead encompass portable electronics *and optical products*, while maintaining all applicable requirements and prohibitions.
- 2) Defines “optical products” to mean prescription and nonprescription eyewear, excluding contact lenses of any kind.

EXISTING LAW:

- 1) Authorizes the Insurance Commissioner (“commissioner”) to issue to an applicant that has met specified conditions a portable electronics insurance agent license that authorizes the licensee and its endorsees to offer or sell insurance in connection with, and incidental to, the sale of portable electronics or the sale or provision of accessories or services related to the use of portable electronics. (Insurance (Ins.) Code Section 1758.61)
- 2) Prohibits a portable electronics vendor from offering or selling any form of portable electronics insurance unless that person is licensed as an insurance agent or broker, or has been issued a license by the commissioner as a portable electronics insurance agent. (Ins. Code Sec. 1758.6)
- 3) Requires an applicant for a portable electronics insurance agent license to submit: a signed, written application in the form prescribed by the commissioner; a certificate by the insurer that is to be named in the license stating that the applicant is trustworthy and competent to act as its insurance agent for this purpose and that the insurer will appoint the applicant to act as its agent to transact the authorized insurance; and an application fee \$292. (Ins. Code Sec. 1758.62(a))
- 4) Authorizes an endorsee to act on behalf of and under the supervision of the portable electronics insurance agent in matters relating to transacting insurance under that agent’s license; and specifies that the conduct of an endorsee acting within the scope of employment or agency shall be deemed the conduct of the portable electronics insurance agent. (Ins. Code Sec. 1758.64)
- 5) Authorizes an endorsee of a portable electronics vendor that has been issued a portable electronics insurance agent license to sell or offer insurance products under the authority of the vendor’s portable electronics insurance agent license if all of the following conditions are met:
 - The endorsee is 18 years of age or older.

- The portable electronics vendor, at the time it submits its license application, also establishes a list of all locations in the state at which it offers coverage under a policy of portable electronics insurance.
 - The portable electronics vendor licensed as an agent provides for the training of its endorsees under a program developed a licensed property and casualty broker or agent prior to allow its endorsees to offer or sell insurance products, and the training includes: instruction about the types of insurance offered by the vendor for sale to prospective customers; training about ethical sales practices; and training about the required disclosures to be given to prospective customers.
 - Endorsees are retrained whenever there is a material change in the insurance products sold that requires modification of the training materials, but no less frequently than every three years for each endorsee. (Ins. Code Sec. 1758.63)
- 6) Requires a portable electronics insurance agent to provide specified materials at the time of sale that include:
- The material terms and conditions of the coverage offered; the process for filing a claim, and a telephone number to report a claim; any additional information on the price, benefits, exclusions, conditions, or other limitations of those policies that the commissioner may prescribe; and the contact information and license number of the licensee or property and casualty broker-agent appointed by the insurer, as well as the California Department of Insurance's (CDI) consumer hotline.
 - Disclosures, acknowledged in writing by the purchaser or clearly and conspicuously displayed at the location where contracts are executed, that the purchase of insurance is not required in order to purchase the portable electronics; that the insurance policies offered by the agent may provide a duplication of coverage already provided by other insurance policies; that the endorsee is not qualified or authorized to evaluate the adequacy of existing insurance coverages; and that the customer may cancel the insurance at any time, with unearned premium refunded in accordance with applicable law. (Ins. Code Sec. 1758.66(a) & (b))
- 7) Authorizes charges for portable electronics insurance to be billed and collected by a portable electronics insurance agent licensee, and specifies conditions for the maintenance of those funds. (Ins. Code Sec. 1758.661)
- 8) Prohibits a portable electronics insurance agent from: offering to sell insurance except in conjunction with the business of selling portable electronics, their accessories, or related services; advertising, representing, or otherwise portraying itself or its endorsees as licensed insurers or property and casualty broker-agents; and paying any endorsee compensation based primarily on the number of customers electing coverage under the portable electronics insurance agent's license. (Ins. Code Sec. 1758.67(a)-(c))
- 9) Requires an insurer that provides insurance to be sold by a licensed portable electronics insurance agent to file a copy of any individual policy issued to a purchaser, or any policy or certificate issued under a group or master policy to a licensed portable electronics insurance

agent, with the commissioner, who shall make that policy available to the public. (Ins. Code Sec. 1758.68)

- 10) Defines “portable electronics” to mean personal, self-contained, easily carried by an individual, battery-operated electronic communication, viewing, listening, recording, gaming, computing, or global positioning devices, including cell or satellite phones, pagers, personal global positioning satellite units, portable computers, portable audio listening, video viewing or recording devices, digital cameras, video camcorders, portable gaming systems, docking stations, automatic answering devices, their accessories, and service related to the use of those devices; [and] any other electronic device that is portable in nature that the commissioner approves. (Ins. Code Sec. 1758.69(d)(1))
- 11) Defines “portable electronics insurance” to mean a contract providing coverage for the repair or replacement of portable electronics against any one or more of the following causes of loss: loss, theft, mechanical failure, malfunction, damage, or other applicable perils. (Ins. Code Sec. 1758.69(e)(1))
- 12) Defines “portable electronics vendor” to mean any person in the business, directly or indirectly, of selling, reselling, soliciting, or leasing portable electronics or their accessories, and related services to customers. (Ins. Code Sec. 1758.69(g))
- 13) Defines “endorsee” to mean an unlicensed employee or authorized representative of a portable electronics vendor. (Ins. Code Sec. 1758.69(a))
- 3) Defines “optical products” to mean prescription and nonprescription eyewear, excluding contact lenses of any kind. (Business & Professions Code Sec. 9855)

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) *Purpose.* According to the author:

Millions of Californians use eyewear every day for both essential and recreational use. Reflective of this, there are thousands of optical products on the market, with some of them costing thousands of dollars to acquire. While currently, California consumers can purchase a protection plan or receive a manufacturer’s warranty for their optical products, there is no way for these consumers to purchase insurance for these products. This can leave Californians vulnerable to an expensive loss if their eyewear is damaged, lost, stolen, or destroyed. AB 1800 solves this by establishing a process where vendors can offer insurance for these products, ensuring that consumers are adequately protected in case of an unfortunate event.

This bill is sponsored by Asurion, a provider of insurance for portable electronics, among other things.

- 2) *Portable electronics insurance.* In 2002, the Legislature passed AB 2856 (Chavez, Ch. 437, Stats. 2002) which created a regulatory framework for the sale of insurance for communications equipment. This effort was motivated by the lack of existing laws related to the enrollment of individuals in communications equipment protection plans, and the

ambiguity of CDI's jurisdiction over such programs. According to the author of that bill, "Communications equipment protection plans are low cost products intended to provide replacement equipment to consumers after the covered equipment is lost, stolen or damaged. Homeowners' or other lines of insurance do not cover this type of equipment and most deductibles are too high for the consumer to benefit."

AB 2856 provided the Insurance Commissioner with the authority to issue retail vendors the limited authority to sell insurance covering communications equipment in connection with the sale of the equipment. AB 2856 defined "communications equipment" to mean:

Handsets, pagers, personal digital assistants, portable computers, automatic answering devices, cellular telephones, batteries, and other devices or their accessories used to originate or receive communications signals or service, and includes services related to the use of the devices, including, but not limited to, access to a wireless network.

By 2011, the prevalence of portable electronics, both within the communications domain and beyond, had increased dramatically. While in 2002, roughly half of Americans over the age of 18 owned a cell phone, by 2011, that number had increased to over 80%. The nature of cell phones had also evolved, with smartphones occupying an increasingly large portion of the cellular market, and serving functions well beyond communication. To keep pace with these technological trends, in 2011, the Legislature passed AB 690 (Solorio, Ch. 165, Stats. 2011), which updated the communications equipment limited line to instead apply to "portable electronics" more generally.

Section 1758.6, *et seq.*, of the Insurance Code details the requirements for authorization to sell portable electronics insurance. While a licensed property and casualty insurance agent or broker can still offer or sell portable electronics insurance, this article (Article 16.1) lays out an alternative set of requirements to receive a portable electronics insurance agent license, which exclusively authorizes the licensee and its endorsees to offer or sell insurance in connection with the sale of portable electronics or associated accessories and services.

Pursuant to Article 16.1, a vendor of portable electronics can receive a license to act as a portable electronics insurance agent selling portable electronics insurance on behalf of an insurer specified in their application, and can authorize endorsees, i.e. workers for the vendor that meet specified training and age requirements, to sell insurance in connection with the sale of portable electronics. Under this scheme, the agent is held responsible for any violations of law committed by their endorsee.

- 3) *Optical products and insurance.* Like portable electronics, optical products are often carried on one's person, and are not covered by a typical homeowner's policy. Due to their regular use, optical products also have a high probability of being lost or damaged, and, for higher-end eyewear, can be quite costly. Designer eyewear can range from hundreds to thousands of dollars, whether prescription or otherwise.

At present, a few options exist to protect the purchase of optical products. While homeowner's and renter's insurance generally do not cover valuable, portable items outside the home, many insurers will offer a so-called "personal articles policy" as an add-on, which covers items such as jewelry, collectibles, and electronics against theft, loss, or damage. Such policies can effectively cover optical products. Because such coverage must be

transacted by a licensed agent or broker, however, it generally cannot be offered at the point-of-sale along with the purchase of the product from a typical retail vendor.

Alternatively, many products, including eyewear, offer the option of purchasing a protection plan, which can cover the cost of repairs or replacement if the product is damaged or defective for a specified period of time. However, protection plans generally do not cover loss or theft.

Asurion, who sponsor the bill, argue:

Optical products are essential items that millions of Californians rely on daily. Prescription eyewear, specialty lenses, and emerging smart glasses often represent significant financial investments. While consumers may have access to manufacturer warranties or limited protection plans, they currently lack access to comprehensive replacement insurance coverage in the event of loss or theft. This gap can leave consumers exposed to substantial out-of-pocket costs.

AB 1800 addresses this issue in a practical and responsible manner by incorporating optical products into the existing portable electronics insurance process. Vendors choosing to offer coverage would be subject to established licensure, training, and recordkeeping requirements under the oversight of the Department of Insurance. By leveraging a proven regulatory framework, the bill promotes transparency, accountability, and consumer protection while expanding access to optional coverage.

- 4) *CDI concerns: scope creep.* Though CDI has not taken an official position on this bill, they have expressed concerns that this bill would create a precedent for expanding the portable electronics insurance limited line to include many consumer products for which it was never intended. According to CDI:

After reviewing the bill, we do have apprehensions with how AB 1800 would expand Article 16.1 [§§ 1758.6-1758.693] to include high end glasses that don't have a battery-powered component. The main concern is that this is a slippery slope that may lead to other products like furniture, handbags, clothing, and jewelry eventually being shoehorned into Article 16.1 which is geared toward insurance for portable electronic devices.

It is fair to say that the original communications equipment, and later portable electronics, limited line was never intended to include non-electronic consumer products. On the other hand, it is not clear what characteristics of portable electronics render them more appropriate for a limited line than any other expensive, portable consumer good. With the emergence of smart glasses, which would likely be covered under the existing limited line, these boundaries become even blurrier with respect to other optical products.

Accordingly, this bill raises two fundamental questions: under what circumstances is a limited line appropriate for insurance products? And is it more appropriate to create new limited lines, or to expand existing limited lines to include a broader range of products?

Limited lines generally serve to facilitate the sale of narrowly-defined, relatively simple insurance products by simplifying the licensure process and authorizing transaction at the point-of-sale by endorsees who are not licensed agents or brokers. As the range of products

potentially covered by a limited line expands, the nature of the insurance becomes more complex, and arguably more demanding of the extensive training and vetting required to become a licensed property and casualty insurance agent or broker. Conversely, as more individual limited lines are created, the administrative burden on the regulator for conducting the licensure process and overseeing the industry increases.

The expansion of the portable electronics limited line to include optical products would be a relatively narrow addition to an already somewhat broad category of consumer goods, and thus may not warrant the creation of a separate limited line. That said, as attempts to further expand this limited line, or to create new ones, inevitably come before this body in the future, a judicious approach may be warranted.

5) *Pending and prior legislation.*

AB 1931 (Papan, 2026) would create a new limited lines license for the sale of home protection contracts in connection with the provision of utility services. This bill is awaiting hearing in the Assembly Insurance Committee.

AB 690 (Solorio, Ch. 165, Stats. 2011) See Comment 2.

AB 2856 (Chavez, Ch. 437, Stats. 2002) See Comment 2.

AB 393 (Scott, Ch. 321, Stats. 2000) created a limited lines license for the sale of credit insurance in connection a loan or extension of credit.

AB 62 (Papan, Ch. 618, Stats. 1999) created a limited lines license for the transaction of rental car insurance in connection with rental care agreements.

REGISTERED SUPPORT / OPPOSITION:

Support

Asurion LLC

Opposition

None on file.

Analysis Prepared by: Landon Klein / INS. / (916) 319-2086