



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on SB 709

December 16, 2023

Thank you Chairman Knodl and committee members for holding a public hearing on Senate Bill 709, a piece of legislation aimed at avoiding duplicative regulation for insurance or warranty products regulated under the Office of the Commissioner of Insurance.

The Wisconsin Consumer Act regulates, among other things, door-to-door sales. Some degree of regulation in this area is understandable. Among the protections the Consumer Act offers are contract transparency, a right to cancel and a regulatory structure around refunds and penalties for violations of the Act's provisions. The Legislature enacted these requirements with a certain business model in mind.

One of the many products OCI currently regulates is technology insurance. These are often service plan contracts that you either buy or are included with purchase of an electronic device. The largest company doing business in this space is Asurion, who is here to testify for specific questions on their practices.

When a tech repair company is making a house call to repair or replace an item pursuant to one of its policies, it is an opportunity for both parties to discuss extending or expanding the coverage. Under current law, these transactions are covered by the Wisconsin Consumer Act, which DATCP enforces, even though the products are already regulated by OCI. The applicable law OCI and DATCP enforce have similar consumer protections, with the right-to-cancel window being more generous under OCI's statutes.

Therefore, I believe SB 709 would not expose consumers to any additional risk of bad actors while reducing the compliance costs of duplicative regulation. Lower compliance costs help keep prices low for consumers. I hope you will support SB 709. Thank you.



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Testimony in Favor of AB 737 / SB 709

To: Chairman Knodl and members of the Senate Committee on Shared Revenue, Elections and Consumer Protection

Good morning Chairman Knodl and members of the committee,

I am writing to express my strong endorsement for AB 737 / SB 709, a critical piece of legislation that proposes an amendment to Section 423.201 (1) (intro.) of the statutes in Wisconsin. This bill addresses a pivotal aspect of consumer protection by exempting sales conducted by entities regulated by the Office of the Commissioner of Insurance or their affiliates from specific provisions of the Wisconsin Consumer Act pertaining to notice and the three-day right to cancel.

Having thoroughly reviewed the bill, I am convinced that it strikes an important balance between safeguarding consumer rights and fostering a regulatory environment that recognizes the unique circumstances of entities under the purview of the Office of the Commissioner of Insurance. The proposed amendment acknowledges the extensive regulatory oversight that these entities already undergo, reducing redundancy in compliance requirements.

The consideration of a transaction amount threshold, specifically \$25,000 or less, demonstrates a nuanced understanding of the consumer protection landscape. By focusing on transactions that are more likely to impact individual consumers for personal, family, or household purposes, the bill aligns with the original intent of the Wisconsin Consumer Act while promoting regulatory efficiency.

Moreover, the bill ensures the preservation of essential consumer rights and remedies under the Wisconsin Consumer Act in contexts where they are most needed. By exempting certain sales from the notice and three-day right to cancel provisions, the legislation creates a more conducive business environment for entities regulated by the Office of the Commissioner of Insurance, fostering economic growth and competitiveness.

I believe that AB 737 / SB 709 is a well-crafted and thoughtful response to the evolving needs of our regulatory framework. It enhances clarity in defining "consumer approval transactions," thus providing businesses and consumers with a clearer understanding of their respective rights and obligations.

I urge the committee to support this bill, recognizing its potential to streamline regulatory processes without compromising the fundamental protections afforded to consumers under the Wisconsin Consumer Act. Thank you for your time and consideration.

Sincerely,

Representative Paul Melotik
Assembly District 24

Good Morning Mr. Chairman and members of the committee. My name is Olivia Spears, and I am a Senior Staff Counsel for Asurion, a Nashville, Tennessee based company, and I am here to speak in support of the bill before you today.

For some background on us and what we do, Asurion is a tech services and solutions company. Historically, our primary business has been repairing and replacing smart phones and other handheld devices—you might know us if you have ever filed a claim on an insured phone through certain providers. However, in recent years, we have expanded our business to include repairing, replacing, and installing all consumer personal electronic devices. In addition, we have 750 stores across the country that provide the same level of service.

While we are based in Tennessee, Wisconsin has and continues to be an important state to Asurion. We have operated here for nearly twenty years. We have 1.5 million Wisconsin subscribers, and we have 73 employees living here. Additionally, our CEO, Tim Stadthaus, is from this great state. Asurion prides itself on being a good corporate actor that treats its subscribers well, and we believe that has been achieved for not only those in this state alone, but the millions more across the country.

While we are grateful for Wisconsin's business-ready and business-friendly climate, which has led to the state's numerous top rankings in business related achievements, its in-home sale statute is an outlier and creates some of the most stringent regulations in the country.

The bill before you today would align Wisconsin's in-home sale statute with the majority of other states and remove a regulatory burden for entities, and the affiliates those entities control, who are already regulated by the Office of the Commissioner of Insurance, to offer Wisconsin-regulated products to existing customers while maintaining the necessary consumer protections related to cold call/door-to-door sales of unregulated goods that the statute originally intended.

In addition, any such sale by those entities or affiliates of those entities would remain protected and regulated by the Federal Trade Commission's "Cooling-Off Rule" and subject to the deceptive and unfair trade practices under Wisconsin law.

If enacted, this bill would allow us to streamline operations with the majority of other states, and thereby ensure that we can continue to offer our subscribers innovative products that are both consumer-friendly and cost-effective.

We at Asurion understand the importance of protection—our entire business is making sure our subscribers are protected when damage, technical issues, loss, and other events occur. This bill allows us to continue to do just that efficiently and effectively all while maintaining the protections that this State cares about too.

Thank you for your consideration of this bill and for the time you have allowed me today. With that, I am happy to answer any questions the committee may have.