



September 7, 2016

Honorable Edmund G. Brown
Governor of the State of California
State Capitol, First Floor
Sacramento, CA 95814

Attn: Michael Martinez, Deputy Legislative Secretary
Request for Signature on Assembly Bill 2591, Electronic Delivery of Insurance Documents by Assemblymember Matthew Dababneh

Dear Governor Brown:

The Personal Insurance Federation of California, the Association of California Insurance Companies, Pacific Association of Domestic Insurance Companies, the American Insurance Association, and the Independent Insurance Agents and Brokers of California, whose members collectively write the vast majority of auto and home insurance in California, **sponsored AB 2591 (Dababneh), Electronic Delivery of Insurance Documents.**

In 1999, the Uniform Electronic Transactions Act (UETA) was enacted in California, which established uniform standards for conducting business transactions electronically, giving consumers the option to receive certain documents electronically and the right to opt-out if they change their mind. Unfortunately, much of the California Insurance Code was written in the 1940's and was not amended in alignment with the UETA as other code sections have been. Therefore, the insurance code has not been modernized to reflect the choices today's insurance consumer should have.

In 2013, members of the Legislature and the Governor recognized shortcomings in existing law and passed SB 251 (Calderon), allowing consumers to opt-in to receive a narrow range of insurance documents electronically. However, under current law insurers still cannot electronically add a new driver or new car to an insurance policy without mailing paper copies, even when the consumer has deliberately chosen to go paperless. SB 251 was a good first step in updating California's insurance laws to reflect the technology that is available today, but more was needed.

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Developments in everyday business electronic communications is already here and it includes secure inbox capabilities, real-time claims reporting and many other customer-friendly features enabled by mobile phone apps and internet-based solutions. In fact, the amendments of June 13 added language to specifically authorize the use of cell phones and tablet applications for receipt of notices of cancellation/non-renewal. As the majority of commerce moves to an online platform driven by consumers, we believe it is appropriate to review the remaining prohibitions on the electronic transaction of insurance.

AB 2591 would expand consumer options to receive electronic documents, and would preserve the consumer protections that exist today in the California Civil and Insurance Codes. This bill also encourages the environmentally friendly practice of reducing unnecessary paper waste, which is a goal Californians strongly support.

It is for these reasons that the above-named organizations respectfully request your signature on Assembly Bill 2591.

If you have any questions regarding the Trades' position, please contact: Michael A. Gunning, Vice President, PIFC at (916) 442-6646; Armand Feliciano, Vice President ACIC/PCI at (916) 440-1115; Shari McHugh on behalf of PADIC at (916) 930-1993; Erin Norwood, IIABCAL, (916) 447-5053; Katherine Pettibone Vice President or Steve Suchil, Assistant Vice President, American Insurance Association at (916) 442-7617, or Christian J. Rataj, NAMIC, at (303) 907-0587.

Cc: Assemblymember Matt Dababneh, Author
Camille Wagner, Secretary of Legislative
Affairs, Office of the Governor