



April 21, 2016

**To:** The Honorable Mark Stone, Chair  
The Honorable Donald Wagner, Vice Chair  
Members, Assembly Judiciary Committee

**From:** Manolo P. Morales, Personal Insurance Federation  
Armand Feliciano, Association of California Insurance Companies  
Shari McHugh, Pacific Association of Domestic Insurance Companies  
Katherine Pettibone, American Insurance Association  
Erin Norwood, Independent Insurance Agents and Brokers of California  
Christian J. Rataj, NAMIC State Government Affairs Senior Director, Western Region

**Re: AB 2591 (Dababneh)  
Electronic Delivery of Insurance Documents**

**Position – Sponsor**

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, **are sponsoring 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 is needed.

Assembly Bill 2591  
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Developments in everyday business electronic communications are already here and include secure inbox capabilities, real-time claims reporting and many other customer-friendly features enabled by mobile phone apps and internet-based solutions. As the majority of commerce moves to an online platform, driven largely by consumers, we believe it is appropriate to review California's remaining prohibitions on transacting insurance electronically – particularly by empowering consumers to opt-in.

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. Finally, this bill would remove the sunset provisions on the electronic delivery laws that have been shown to be a disincentive for companies, especially smaller insurance companies, to make the necessary investments in human and IT resources.

If you have any questions regarding the Trades' position, please contact Manolo P. Morales, Sr. Legislative Advocate 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, American Insurance Association at (916) 442-7617, or Christian J. Rataj, NAMIC, at (303) 907-0587.

Cc: Assemblymember Matt Dababneh, Author  
Bill Lewis, Assembly Republican Caucus  
Anthony Lew, Consultant, Assembly Judiciary Committee  
Camille Wagner, Secretary of Legislative Affairs, Office of the Governor