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**Date:** June 26<sup>th</sup>, 2012

**To:** The Honorable Jose Solorio, Chair  
The Honorable Curt C. Hagman, Vice Chair  
Members, Assembly Insurance Committee

**From:** Rex D. Frazier, President  
Michael A. Gunning, Vice President  
Kimberley Dellinger Dunn, General Counsel  
Manolo P. Platin, Legislative Advocate

**Re:** SB 1212 (Calderon) Insurance  
As amended June 21<sup>st</sup>, 2012

**Assembly Insurance Committee Hearing: June 27<sup>th</sup>, 2012**  
**PIFC Position: Support as proposed to be amended**

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Group, Progressive, Allstate and Mercury) who collectively write a majority of the personal line auto and home insurance in California **supports SB 1212 Insurance by Senator Calderon.**

SB 1212 is a modest step in modernizing California's Insurance Code to reflect the consumer demands of the 21<sup>st</sup> century. Consumers are currently shopping and purchasing insurance over the internet on a regular basis, and we believe it is time to review the prohibitions on electronic communications that were put in place over a decade ago.

SB 1212 would allow for the renewal notices for home, auto, commercial and earthquake policies to be provided electronically, given that the consumer has decided to opt-in for electronic communications. Renewal notices are not bills, do not require any response from the consumer and are essentially receipts the policyholder receives after they've renewed their insurance policy.

In 1999, the California Legislature passed the Uniform Electronic Transactions Act (UETA) which established uniform standards for conducting business electronically in California. Since then almost every state has adopted similar laws to facilitate E-Commerce. This act requires that a consumer must agree to have the transaction conducted electronically and cannot be compelled by the business to conduct the business electronically.

When the initial legislation was passed, the bill prohibited several insurance transactions from being conducted through the internet or e-mail. Since 1999, consumers have grown more and more comfortable conducting business on the internet and through e-mail. Currently the only state other than California that does not allow electronic delivery of renewal notices is Arkansas.

SB 1212 would actually improve the delivery of renewal notices from existing law because currently such transactions are required to be sent by mail, with no assurance that the information is actually received by the policyholder. This bill would allow the

policyholder to have these notices handled by email or other electronic format, including company websites that contain all of their policy information. If the policyholder wished to continue receiving such notices by mail, they could continue to do so and would have the ability to change back to paper mailings at a later date.

We believe that it is time to allow California consumers to receive their renewal notice via electronic means, provided they opt-in.

For the reasons stated above PIFC **supports SB 1212 by Senator Calderon and urges your “aye” vote.** If you have any questions regarding PIFC’s position, please contact Manolo A. Platin at (916) 442-6646.

cc: Senator Ronald S. Calderon, Author  
Mark Rakich, Assembly Insurance Committee  
Kevin Hanley, Assembly Republican Caucus  
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor