

August 13, 2013



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**To:** The Honorable Mike Gatto, Chair  
The Honorable Diane L. Harkey, Vice Chair  
Members, Assembly Appropriations Committee

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

**Re:** SB 251 (R. Calderon) Insurance: Notice: Electronic Transmission  
**As Amended, June 17, 2013**

**Assembly Appropriations Committee Hearing, August 21, 2013**  
**PIFC Position: Support**

The Personal Insurance Federation of California, representing seven of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate, Mercury and Nationwide) who collectively write a majority of the personal line auto and home insurance in California, **supports SB 251: Insurance: Notice: Electronic Transmission by Senator Calderon**

SB 251 would allow the renewal notices for home, auto, commercial, workers' compensation and earthquake policies to be delivered electronically, provided that the consumer or business has decided to opt-in for electronic communications. This bill would not change the long-standing consumer protections in existing law (CCC 1633.1) and would add additional protections to the Insurance Code (CIC 38.5). As the majority of commerce moves to the online platform, we believe it is appropriate to review prohibitions put into place in the 1990s, when the California Legislature passed the Uniform Electronic Transactions Act (UETA) establishing uniform standards for conducting business electronically in California.

Since then, almost every state has adopted similar laws to facilitate electronic renewal of insurance documents. This act requires that a consumer and/or business must agree to have transactions conducted electronically and that they cannot be compelled to do so by an insurance company.

Insurers have a great incentive to ensure their important communications are received by the consumer, in whichever format the consumer selects. SB 251 is a modest step in modernizing California's Insurance Code to reflect the consumer demands of the 21st century.

For these reasons, PIFC **supports SB 251: Insurance: Notice: Electronic Transmission by Senator Calderon and urges your "aye" vote.** If you have any questions regarding PIFC's position, please contact Manolo P. Platin at (916) 442-6646.

cc: Senator Ron Calderon, Author  
Julie Salley-Gray, Assembly Appropriations Committee  
Paul Dress, Consultant, Assembly Republican Caucus  
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor