

June 24, 2013



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MERCURY

To: The Honorable Henry Perea, Chair
The Honorable Curt Hagman, Vice Chair
Members, Assembly Insurance 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 Insurance Committee Hearing, June 26, 2013
PIFC Position: Support

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate and Mercury) 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 consumers 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
Mark Rakich, Chief Consultant, Assembly Insurance Committee
Tracy Ainsworth Elwell, Committee Secretary, Assembly Insurance Committee
Kevin Hanley Consultant, Assembly Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor