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April 3, 2013

To: The Honorable Ronald S. Calderon, Chair
The Honorable Ted Gaines, Vice Chair
Members, Senate 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, March 18, 2013

Senate Insurance Committee Hearing, April 10, 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 is a very modest step in modernizing California's Insurance Code to reflect the consumer demands of the 21st century. Consumers are currently shopping for 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 251 would allow for the offer and renewal notices for earthquake insurance policies to be provided electronically, given that the consumer has decided to opt-in for electronic communications.

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 transactions conducted electronically and that they cannot be compelled to do so by a business. Nothing in SB 251 would alter these consumer protections.

We believe that it is time to allow California consumers to receive their earthquake insurance offer and renewal notices via electronic means, provided they opt-in.

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
Hugh Slayden, Consultant, Senate Insurance Committee
Tim Conaghan, Consultant, Senate Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor