

Statement

Insurance Association of Connecticut Insurance and Real Estate Committee

February 1, 2011

HB 6232, An Act Permitting Suspension of Private Passenger Motor Vehicle Insurance Coverage By Electronic Mail

The Insurance Association of Connecticut, IAC, is opposed to HB 6232, An Act Permitting Suspension of Private Passenger Motor Vehicle Insurance Coverage By Electronic Mail as it removes vital safeguards and places an unnecessary burden on the insurance industry.

Currently, Sec. 38a-371(f) mandates that in order to suspend one's coverage one must submit a signed written request to the insurer. The request must include a statement that such vehicle shall not be operated on the roads until coverage is restored. A signed written request provides substantial safeguards for the insured and insurer. Only the named insured is permitted to suspend such coverage. A request in the insured's writing ensures that such a request is being made by the insured, with the insured's knowledge. That same protection cannot be made via electronic mail. An insurer has no means to ensure the validity or identity of the sender of electronic mail.

A signed written request also diminishes the incidences of fraud. An individual is less likely to claim coverage exists when the request to suspend can be documented by one's own writing. Nor can someone attempt to suspend coverage on another person's vehicle without their knowledge.

HB 6232 unnecessarily requires every insurer to implement a secured method for the receipt of such electronic mail requests and notify all insureds of the method adopted. This is an expensive administrative burden on the industry that provides no benefit. A secured method of receipt for such electronic mail does nothing to ensure the identity of the sender or the validity of the request. Such a requirement simply adds the additional and unnecessary expense associated with the notices required and creating, implementing, maintaining such a system.

HB 6232 fails to define what is meant by "electronic mail". Electronic mail is an ever evolving technology. Five years ago electronic mail may have simply meant e-mail. However, today electronic mail could include such things as text messages, tweeting, facebook postings and the like. HB 6232 would require insurers to accept any form of electronic mail as a valid request. An insurer would have to constantly amend its system to adapt to changes in technology to comply with the requirements of this proposal.

The IAC urges your rejection of HB 6232.