

***STATEMENT***

***Insurance Association of Connecticut***

Insurance and Real Estate Committee

March 13, 2014

**SB 391, An Act Concerning The Electronic Posting  
Of Certain Documents By Insurers**

The Insurance Association of Connecticut, IAC, supports adoption of SB 391, An Act Concerning The Electronic Posting Of Certain Documents By Insurers.

SB 391 is part of the process needed to aid the insurance industry in responding to consumer demand and modernizing how it delivers information to its consumers. SB 391 permits insurance carriers to post policies and endorsements that do not contain personally identifiable information on such insurers' web site. Pursuant to SB 391 insurers may elect to post insurance policies and endorsements on its web site in lieu of mailing or delivering them to an insured. If an insurer chooses to post, it must ensure that the policy and endorsements are easily accessible. After a policy expires it must be archived and available upon request for a period of five years. The information must be posted in a manner that enables the insured to print and save it using programs or applications that are widely available on the Internet and free to use. The insurer must clearly describe each policy contract and endorsement comprising the insured's policy on every declaration page issued to the insured. The insurer must also provide notice to the insured of any changes and give the insured the opportunity to obtain paper copies.

To fully modernize the industry, the IAC urges SB 391 be amended to include language that clarifies that certain provisions within the insurance code regarding delivery of information are satisfied if the insurer utilizes electronic means, at the consumer's choosing. Insurers are subject to the provisions of the Uniform Electronic Transactions Act, UETA, which governs how and when electronic means can be used to conduct consumer transactions. However, UETA maintains provisions that permit other laws to trump its provisions. For example, Sec. 38a-325 requires notices to be sent by registered or certified mail. Insurers must abide by those statutory provisions even if a consumer has elected to receive such information electronically. Such mandatory

provisions negate consumers' choice and unnecessarily thwart modernization. As such, the IAC urges that SB 391 include language that amends the Insurance Code to make it clear that delivery by electronic means satisfies any other statutory delivery requirement.

Finally, UETA should be amended to remove the outdated prohibition against delivering life insurance cancellation or termination notices by electronic means. With the advance of technology, consumers are overwhelmingly opting to receive communications electronically. There is no rational reason to continue to exclude such products from UETA's provisions, particularly if the consumer has chosen to receive information by electronic means. If a consumer chooses to have such notices delivered by electronic means, then it should be permitted. The IAC urges SB 391 be further amended to remove the prohibition in UETA as it relates to life insurance products.

The IAC respectfully requests that SB 391 be amended to clarify the applicability of UETA to all insurance transactions and adoption of SB 391.