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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 5252 – AN ACT CONCERNING ELECTRONIC PROOF OF AUTOMOBILE INSURANCE IDENTIFICATION CARDS

COMMITTEE ON INSURANCE AND REAL ESTATE

February 27, 2014

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on House Bill No. 5252, legislation allowing motor vehicle insurance identification cards to be provided in an electronic format. PCI is a national property casualty trade association comprised of over 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI member companies write approximately 54.1 percent of all personal lines auto insurance sold in Connecticut.

With each passing day people are using their smartphones to do more and more things electronically. They shop, bank and pay bills from their phones. They even use them to board airplanes. Yet today in Connecticut motorists are still required to carry a physical insurance identification card with them. If a law enforcement officer asks for the card and a motorist can't find it, or simply forgot to switch out an expired card with a new one, that motorist will be ticketed and will have to go to court even though that person had insurance.

Even if they can't find a current identification card, though, odds are that they do have their smartphone with them. If HB 5252 is enacted, motorists will never again be without proof of insurance as long as they have their smartphone with them.

Under this bill, all stakeholders benefit. Insured motorists are spared the hassle of having to go to court just to prove they had insurance, courts have less tickets to hear and insurance companies benefit because they don't have to print and mail insurance cards to those motorists who prefer to display proof of insurance on their phone.

This legislation is permissive, meaning it does not require anyone to use a particular format. If a motorist prefers carrying a paper identification card, they can still get one. Nor does this bill require insurers to offer electronic cards.

The majority of states (thirty states, to date) have already made the switch and allow electronic insurance identification cards and many more states are considering doing so this year. PCI would urge that this legislation be passed so that Connecticut can join this growing list of states and Connecticut drivers can enjoy the convenience of having the option of demonstrating proof of insurance through an electronic insurance identification card.

For all of the foregoing reasons, PCI urges the committee to advance this bill.