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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

S.B. No. 22 – AN ACT CONCERNING ELECTRONIC POSTING OF CERTAIN DOCUMENTS BY INSURERS

COMMITTEE ON INSURANCE AND REAL ESTATE

January 29, 2015

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on Senate Bill No. 22. PCI is a national property casualty trade association comprised of over 1,000 member companies. PCI member companies write approximately 43 percent of Connecticut's property casualty insurance.

This bill would allow insurance companies to post policy documents on its website and will provide numerous benefits for consumers and the environment. Currently, insurers mail millions of policy booklets to their customers. These booklets often exceed fifty pages in length and are rarely read by policyholders. Mailing these documents adds costs and wastes paper and other resources. Allowing these policy documents to be posted on the insurer's website will be more efficient, cost effective, and will also have environmental benefits.

In addition to these benefits, allowing policy documents to be posted on the internet will also help insurance consumers to be better informed. With the posting of these documents, consumers will be able to compare policy documents prior to purchasing a policy. Also, internet posting of these documents will facilitate policyholder access to their policies. Under the provisions of this bill, policyholders will always know where and how to access their policies and they will not have to go through the hassle of searching their home offices or files for their policy booklet when they need to make a claim or access their policy for other reasons. Often when one needs to review their policy, it is in a stressful situation following a loss and the last thing that a policyholder needs under these circumstances is to have to search for their paper policy booklet.

Internet posting of insurance policies will also be beneficial to consumers because policy documents will be searchable which will allow policyholders to easily access the provisions of the policy document that they are looking for rather than having to manually page through a lengthy paper insurance document. In addition, the print of policy documents posted on the internet can also be enlarged easily, thereby making it easier for consumers to read policy documents.

In addition to the internet posting provisions provided for in this bill, PCI would urge that SB 22 be amended to include language that clarifies that electronic delivery of insurance documents is permissible with the consent of the insured. While insurers are currently

8700 West Bryn Mawr Avenue, Suite 1200S, Chicago, IL 60631-3512 Telephone 847-297-7800 Facsimile 847-297-5064 www.pciaa.net

utilizing electronic delivery for insurance documents pursuant to the provisions of the Uniform Electronic Transactions Act (UETA), UETA includes provisions that permit other laws to take precedence over its provisions. Accordingly, clarifying provisions are necessary to ensure that electronic delivery is permissible for all insurance documents, so as to provide insurers with certainty relative to the permissibility of electronic delivery and to ensure that policyholders are able to receive all documents electronically if that is the manner in which they choose to receive such documents. Accordingly, PCI urges that SB 22 include language that amends the Insurance code to include provisions to clarify the permissibility of delivery by electronic means.

For all of the foregoing reasons, PCI urges the committee to amend SB 22 to include clarifying provisions relative to electronic delivery of insurance documents and adoption of SB 22.