American Property Casualty Insurance Association
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**STATEMENT**

**AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION (APCIA)**

**S.B. No. 906 – AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDED CHANGES TO THE INSURANCE STATUTES**

**COMMITTEE ON INSURANCE AND REAL ESTATE**

**February 27, 2019**

The American Property Casualty Insurance Association (APCIA)[1] appreciates the opportunity to comment on Senate Bill No. 906, An Act Concerning the Insurance Department's Recommended Changes to the Insurance Statutes. With members comprising nearly 60 percent of the U.S. property casualty insurance market, APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

APCIA would like to point out a couple of areas of this bill to suggest changes to improve the language. First, in section one of the bill relative to the provision authorizing the Commissioner to engage the services of third party actuaries, professionals and specialists to assist the commissioner in reviewing any rate, form or similar filing, APCIA would urge that some limitation be included to ensure that charges related thereto would be required to be reasonable and that the duration of the third party services would also be limited to a reasonable timeframe. While APCIA does not oppose allowing the Commissioner to engage such third parties where necessary, we would like to ensure that third parties are not able to unreasonably delay the consideration of a filing or accrue unreasonably large charges which must be paid by the insurer submitting the filing.

APCIA would also suggest a change to the language in section five of the bill relating to cancellation of commercial risk insurance policies. While PCI strongly supports allowing notices of all kinds to be delivered by electronic means with the consent of the insured, we have major concerns with the requirement that the electronic delivery be evidenced by a delivery receipt. If "evidenced by a delivery receipt" is intended to require that the insurer obtain a receipt from the insured that they received the electronic communication, then these provisions may not be that useful because it will likely be rare that insureds would return such a receipt for a cancellation notice. If the insured does not return the receipt, then would the insurer be required to subsequently mail the notice by non-electronic means? Not only would this add additional administrative issues for insurers, but it also may add ambiguity as to the effective date of the cancellation. Accordingly, APCIA would urge that the "evidenced by a delivery receipt" language be removed.

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[1] Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the American Property Casualty Insurance Association (APCIA). Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

APCIA appreciates your consideration of these suggested clarifying language changes and we would urge your Committee to revise the bill accordingly.