

Oregon State Legislature  
House Committee on Business and Labor  
Oregon State Capitol  
900 Court Street NE, Room 453  
Salem, OR 97301

February 10, 2014

*Filed via electronic transmission to committee at: nick.herrera@state.or.us*

**RE: HB 4051 and HB 4052 - NAMIC's Written Testimony for Committee Hearing**

Dear Representative Margaret Doherty, Chair; Representative Brent Barton, Vice Chair; Representative Bill Kennemer, Vice Chair; and members of the House Committee on Business and Labor:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the February 12, 2014, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. NAMIC has 143 members who write property/casualty and workers' compensation insurance in the State of Oregon, which represents 45% of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

NAMIC's members support HB 4051, Electronic Posting of Insurance Policy Forms on Insurer Website, and HB 4052, Electronic Delivery of Insurance Notices, as being pro-insurance consumer, pro-state ecology, and pro-business efficiency.

In regard to HB 4051, NAMIC believes that the language of the bill addresses all of the key elements of a balanced and measured consumer protection and business efficiency bill. Specifically, the bill has the following consumer protections: a) it expressly allows for the consumer to request a copy, at no cost to the consumer, of a paper copy of the policy forms; b) provides for strict privacy protection of personal consumer information; c) requires individual consumer notice of changes to the policy or endorsements; d) requires that the web posted policy forms be archived for 10 years after policy expires for long term consumer access; and e) requires that the web posted policy forms be readily accessed, saved, and printed from the website by the insurance consumer. HB 4051 is also a business-friendly bill, because it allows, but does not require insurers to use web posting for policy forms and endorsements, if such a practice fits their business model and addresses their insurance policyholders' desires.

In regard to HB 4052, NAMIC believes that this proposed legislation is also a well-reasoned and well-drafted pro-consumer, pro-business, and pro-regulator bill, because it clarifies that, if the insurance policyholder and their insurer have agreed to communicate and exchange insurance documents and notices via email, any notice that legally requires proof of delivery by the insurer to the policyholder may be evidenced by electronic communication confirmation of delivery. In essence, HB 4052 just clarifies that an insurer and its policyholder may be able to effectuate all of their required communications (which is what the policyholder and insurer agreed to at the inception of the professional relationship when they agreed to communicate by email) including the legal documentation of proof of delivery of notices and forms required by law, via the agreed upon electronic communications medium.

NAMIC believes that HB 4052 is good legislation, because it clears up any confusion over whether a policyholder, who desires to handle *all* of his/her property and casualty insurance affairs via electronic communications can do so, or whether certain communications between the insurer and the policyholder have to be sent via US Postal Service mail, which the policyholder was trying to avoid in the first place.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at [crataj@namic.org](mailto:crataj@namic.org), if you would like to discuss NAMIC's written testimony.

Respectfully,



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