

Written Testimony of Joshua M. Zielaskiewicz for HB 175

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Under AS 21.42.250 today, insurers are required to mail or delivery insurance policies to insureds within a reasonable amount of time after issuance. HB 175 is proposing to add a third option for providing insurance policies and endorsements to insureds—posting them on a publicly available website when the insurer complies with the conditions outlined in the bill. This posting option will allow insurers to provide the terms of their policies in a way that improves insured access, conserves resources, improves efficiency, and, if widely adopted, offers a level of industry openness that does not exist today. In order to do this, AS 21.42.250 must be amended.

What HB 175 will accomplish

HB 175, as it has been introduced, seeks to accomplish four primary goals:

1. To help modernize insurance law to bring it closer in line with the rest of the financial services;
2. To dramatically reduce the number of paper property and casualty insurance contracts and endorsements printed and mailed each year;
3. To provide property and casualty insurance contracts and endorsements on a publicly available website for existing and potential insureds to review, save and print whenever they like; and
4. To provide simple mechanisms for insureds to access their documents and request paper copies free of charge.

How it will work in practice

As proposed, if an insurer elects to post its property and casualty policies and endorsements in lieu of mailing or delivering them, it may only do so if it meets each requirement outlined in the bill. It is important to note that the proposed changes only apply to policies and endorsements that are generic and filed with and approved by the Division of Insurance. In other words, policies and endorsements that are written for a specific insured or that otherwise contain information specific to a particular insured are not eligible for posting. Policies posted on an insurer's website must be retrievable, printable, and savable using widely available free software and must remain so while the documents are in force. Thereafter the insurer must archive the policies and endorsements for a period of at least three years and make them available upon request.

In order to make it easy for insureds to find and access their documents, on each declarations page issued to an insured, the insurer must itemize each of the posted policies and endorsements purchased

and notify the insured of the method for accessing or requesting paper copies of their policies and endorsements.

If the policy or endorsements purchased by an insured or the method for accessing them changes, the insurer must provide notice to the insured in the manner that it normally communicates with that insured. If the insured is a mail customer, the notice must be mailed to them. If they are a paperless customer, the notice must be emailed to them. This will ensure that insureds are provided sufficient notice when an insurer makes changes to their policy.