

**ELECTRONIC INSURANCE NOTICES AND DOCUMENTS WORKING GROUP  
MINUTES OF JULY 31, 2013 MEETING  
KING KALAKAUA BUILDING  
QUEEN LILIUOKALANI CONFERENCE ROOM**

**Present:** Martha Im, Insurance Division; Gordon Ito, Insurance Commissioner; Isaac Kosasa, Hawaii Insurers Council; Ann Le Lievre, Insurance Division; Lori Lum, Watanabe Ing LLP, representing Property Casualty Insurers Association of America; Bob Toyofuku, Commission to Promote Uniform Legislation.

**Conference Call Participants:** Armand Feliciano, Property Casualty Insurers Association of America; Alex Hageli, Property Casualty Insurers Association of America; Bob Nash, State Farm Insurance Companies.

**1. Call to order; public notice**

Insurance Commissioner Gordon Ito called the meeting to order at 10:06 a.m. Public notice for this meeting was timely filed with the Lieutenant Governor's office on July 23, 2013.

Commissioner Ito opened the meeting by welcoming and thanking members and participants for agreeing to serve on the Working Group and to participate in today's meeting.

**2. Sunshine Law**

The Working Group was established pursuant to Senate Concurrent Resolution No. 159, S.D. 1 of the 2013 regular session (SCR 159). SCR 159 requested the Insurance Commissioner to convene a working group to explore the use of electronic transmission of insurance notices and documents

Since the Working Group was convened pursuant to a resolution, it does not fall within the statutory definition of a "board" as defined in the State's Sunshine Law, HRS chapter 92. In the interest of promoting open government, Commissioner Ito stated that the Working Group would follow the Sunshine Law. Discussions among members should occur in open hearing.

**3. Introduction of working group members**

SCR 159 specified that the Working Group be composed of the Insurance Commissioner (Gordon Ito), and representatives from the Commission to Promote Uniform Legislation (Bob Toyofuku), Property Casualty Insurers Association of America (PCI) (Armand Feliciano, Alex Hageli, and Lori Lum),

Hawaii Insurers Council (HIC) (Isaac Kosasa), and State Farm Insurance Companies (Bob Nash).

Commissioner Ito commented that it be helpful to have the same representatives present for future Working Group meetings.

#### **4. Scope of work, organization, and deadlines**

##### **A. Scope of work**

SCR 159 requested the Working Group to: (1) explore the use of electronic transmission of insurance notices and documents; and (2) develop alternatives for insurance notices and documents that balance the convenience of electronic notices and documents with consumer protection.

##### **B. Deadlines**

SCR 159 requests that the working group transmit a final report of its findings and recommendations, including any proposed legislation to the Legislature no later than 20 days prior to the convening of the 2014 Regular Session (December 26, 2013).

Commissioner Ito expressed a desire to conclude the Working Group by the end of October 2013. The Insurance Division is working with an October 1, 2013 federal deadline for the State Health Exchange to be operational. With the Health Exchange project deadline, the limited scope of work for this Working Group, as well as the fact that Hawaii has adopted the Uniform Electronic Transactions Act (UETA), he anticipated a compressed time frame for the Working Group to conclude its tasks would not be unreasonable. Commissioner Ito anticipated a meeting in August, one in September to confirm conclusion of the Working Group and start drafting the report, circulate a draft report in early October and conclude the Working Group at the end of October.

#### **5. Possible discussion topics and presentations for future meetings**

Commissioner Ito shared that Tennessee and Maryland allow for electronic notices and that NAIC has put together a compendium of state electronic and digital signature laws. He stated that this information will be shared with the Working Group members and asked that other members share or send pertinent information they have. Specific information on the types of notices allowed by electronic means, any statistics where states

allow electronic notices and the percentage that opt out of receiving electronic notices, would also be helpful.

Bob Toyofuku and Alex Hageli confirmed that all but three (3) states – Illinois, New York, and Washington - have adopted UETA. Alex Hageli clarified that while Illinois, New York, and Washington have not adopted UETA, these three states have adopted substantially similar provisions to UETA and, in some instances, have better protections in place.

Alex Hageli raised, as a discussion point, language he thought was overly broad in SCR 159 that Hawaii's UETA statute "excludes insurance documents and notices from its purview." He believed that Hawaii's UETA statute only excluded insurance notices of cancellation and not all insurance documents.

All materials to be circulated should be sent to Martha Im, with a cc to Ann Le Lievre, by August 9, in advance of the next meeting. An email will be forthcoming with contact information for Martha and Ann.

Members may also prepare a position statement, if they have one, on the use of electronic notices, to facilitate discussion at the next meeting. Bob Toyofuku shared that he believed the basic issue for the Working Group was utilization of electronic notices balanced against consumer protection concerns.

While the Insurance Division is not advocating use of electronic over written notices, or vice versa, members should be aware that the Hawaii Insurance Code has a substantial number of notice provisions that may require a recodification of the Code, depending on the recommendation of the Working Group.

## **6. Selection of Chair and Vice-Chair**

SCR 159 requested the Insurance Commissioner to convene the Working Group but did not specify who would chair the Working Group. There were no volunteers. There was discussion amongst the Working Group members that selection of a Chair and Vice-Chair were not necessary at this time as the membership was small.

## **7. Submission of testimony by interested parties and members of the public**

Interested parties and members of the public may submit testimony to the Working Group by: mail (335 Merchant St #213, Honolulu, HI 96813), fax

(808-586-2806), or email ([ins@dcca.hawaii.gov](mailto:ins@dcca.hawaii.gov) ). Commissioner Ito stated if there was a need for establishing a mailbox for the Working Group, a decision could be made in the future to establish one.

**8. Next meeting**

The next meeting will take place on Monday, August 19, 2013 at 10:00 a.m. Anticipated topics of discussion will focus on other states' use of electronic notices, and percentage of those utilizing electronic notices.

**9. Adjournment**

The meeting was adjourned at 10:30 a.m.