

Committee Report

CONSENT CALENDAR

March 2, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Commerce and Consumer Affairs to
which was referred HB 520,**

**AN ACT relative to e-delivery of insurance documents
and commercial lines renewal notices. Having
considered the same, report the same with the
recommendation that the bill OUGHT TO PASS.**

Rep. Christy Bartlett

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 520
Title:	relative to e-delivery of insurance documents and commercial lines renewal notices.
Date:	March 2, 2021
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill was filed at the request of the Insurance Department. It was passed last term, but tabled in the House due to the COVID-19 pandemic. This bill allows insurance companies to deliver documents electronically to their customers after written consent. It also codifies what is common practice by many insurance companies already, but the statutes needed updating.

Vote 19-0.

Rep. Christy Bartlett
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

HB 520, relative to e-delivery of insurance documents and commercial lines renewal notices.
OUGHT TO PASS.

Rep. Christy Bartlett for Commerce and Consumer Affairs. This bill was filed at the request of the Insurance Department. It was passed last term, but tabled in the House due to the COVID-19 pandemic. This bill allows insurance companies to deliver documents electronically to their customers after written consent. It also codifies what is common practice by many insurance companies already, but the statutes needed updating. **Vote 19-0.**

HB 520 relative to e-delivery of insurance documents and commercial lines renewals

Majority Report

This bill was at the request of the Insurance Department. It was passed last term, but tabled in the House due to COVID. This allows insurance companies to deliver documents electronically to their customers after written consent. This codifies what is common practice by many insurance companies already, but the statutes needed updating.

OTP 19-0

Rep Christy Dolat Bartlett

Commerce Committee

3/11/21

Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 520

BILL TITLE: relative to e-delivery of insurance documents and commercial lines renewal notices.

DATE: March 2, 2021

LOB ROOM: Zoom

MOTIONS: **OUGHT TO PASS**

Moved by Rep. Bartlett

Seconded by Rep. Hunt

Vote: 19-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Keith Ammon, Clerk

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION ON HB 520

BILL TITLE: relative to e-delivery of insurance documents and commercial lines renewal notices;

DATE: 3/2/2021

LOB ROOM: Zoom

MOTION: (Please check one box)

- OTP ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. Bartlett Seconded by Rep. Hunt Vote: _19-0_

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR? X Yes _____ No

Minority Report? _____ Yes _____ No If yes, author, Rep.: _____ Motion: _____

Respectfully submitted, Rep. Ammon, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/22/2021 9:55:55 AM
Roll Call Committee Registers
Report



2021 SESSION

Commerce and Consumer Affairs

Bill #: HB520 Motion: OTP AM #: _____ Exec Session Date: 3/2/2021

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	19		
Potucek, John M. Vice Chairman	1		
Osborne, Jason M.	2		
Ammon, Keith M. Clerk	3		
Abramson, Max	4		
Ham, Bonnie D.	5		
Depalma IV, Joseph	6		
Greeson, Jeffrey	7		
Johnson, Dawn M.	8		
Terry, Paul A.	9		
Bartlett, Christy D.	10		
Abel, Richard M.	11		
Herbert, Christopher J.	12		
Van Houten, Constance	13		
Fargo, Kristina M.	14		
Weston, Joyce	15		
Beaulieu, Jane E.	16		
Burroughs, Anita D.	17		
McAlear, Chris R.	18		
TOTAL VOTE:	19	0	

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 520

BILL TITLE: relative to e-delivery of insurance documents and commercial lines renewal notices.

DATE: February 10, 2021

LOB ROOM: Remote **Time Public Hearing Called to Order:** 9:30 a.m.

Time Adjourned: 9:42 a.m.

Committee Members: Reps. Hunt, Potucek, Ammon, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Bill Sponsors:

Rep. Bartlett

Rep. Hunt

Sen. Cavanaugh

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Bartlett

Requested by the insurance department. To get the laws in line with practice of the insurance companies. Allows electronic delivery of insurance documents. E-delivery documents are becoming standard. The customer would give signed consent for receiving electronic documents.

Emily Doherty

Property and Casualty Attorney at the NH Insurance Dept. Same as another bill that died last year in the Senate. The first part of the bill allows cancellation and renewal notices for Property and Casualty. Changes notices to increases in premiums.

Rep Burroughs

Q: Would there be notice that electronic documents have there been received?

A: The insurance provider should be reasonably sure that the documents have been opened.

Rep Abel

Q: Could you say more about the process the individual consumer elects to get information electronically?

A: The insurance company would have to obtain evidence that the insured has consented.

Jim Hatem

On behalf of State Farm. This is an important bill for State Farm because it is committed to updating laws to enable e-documents. This is entirely driven by the customers because that's the way they get their bills and correspondence now. Saves them the need to shred paper bills. Saves them the need to store paper documents in a file drawer. The bill still requires notice to the customer of a substantial increase in premium.

Rep Abel

Q: This has nothing to do with billing, correct?

A: I believe it includes billing.

HOUSE COMMITTEE ON COMMERCE & CONSUMER AFFAIRS

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DATE: Feb 10, 2021

ROOM: Zoom

Time Public Hearing Called to Order: 9:30 AM

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A: I believe it includes billing.

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill HB520 on 2021-02-10

Support: 7 Oppose: 0 Neutral: 1 Total to Testify: 2

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Signed Up</u>
Fox, James	james.r.fox@ins.nh.gov	2712502	State Agency Staff	Insurance Department	Support	Yes (5m)	2/5/2021 1:56 PM
Doherty, Emily	emily.m.doherty@ins.nh.gov	2714843	State Agency Staff	Insurance Department	Support	Yes (5m)	2/5/2021 1:57 PM
Mobley, Marty	martha.v.mobley@ins.nh.gov	2712805	State Agency Staff	Insurance Department	Support	No	2/5/2021 1:58 PM
Pageau, Joan	joan@nhaia.com	603.224.3965	A Lobbyist	NH Association of Insurance Agents	Support	No	2/8/2021 3:16 PM
Roussos, George	groussos@orr-reno.com	603.223.9143	A Lobbyist	NH Association of Domestic Insurance Companies	Support	No	2/9/2021 1:17 PM
Nadeau, Lindsay	lnadeau@orr-reno.com	603.568.1601	A Lobbyist	American Property Casualty Insurance Association	Support	No	2/9/2021 1:20 PM
Rathbun, Eric	ericrathbun@gmail.com	111.111.1111	A Member of the Public	Myself	Neutral	No	2/9/2021 10:50 PM
Hatem, James	jhatem@nixonpeabody.com	111.111.1111	A Lobbyist	State Farm Insurance Company	Support	No	2/10/2021 9:07 AM

Testimony

Bill as
Introduced

HB 520 - AS INTRODUCED

2021 SESSION

21-0854

10/11

HOUSE BILL **520**

AN ACT relative to e-delivery of insurance documents and commercial lines renewal notices.

SPONSORS: Rep. Bartlett, Merr. 19; Rep. Hunt, Ches. 11; Sen. Cavanaugh, Dist 16

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill provides for electronic delivery of insurance documents and commercial lines renewal notices.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struck through.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to e-delivery of insurance documents and commercial lines renewal notices.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Automobile Insurance; Cancellation, Refusal to Renew, Notice. Amend the introductory
2 paragraph of RSA 417-A:5 to read as follows:

3 No cancellation or refusal to renew by an insurer of a policy of automobile insurance shall be
4 effective unless the insurer **or its agent either** physically [~~(not electronically)~~] delivers or mails[;] to
5 the named insured, at the address shown in the policy, a written notice of the cancellation or refusal
6 to renew **or electronically delivers to the named insured a written notice of cancellation or**
7 **refusal to renew**. Such notice shall:

8 2 Automobile Insurance; Cancellation, refusal to Renew; Notice. Amend the introductory
9 paragraph of RSA 417-A:5, II to read as follows:

10 II. State the date on which such cancellation or refusal to renew shall become effective. The
11 effective date shall not be less than 45 days after the date the notice is mailed or **physically or**
12 **electronically** delivered to the named insured provided however, the effective date may be 10 days
13 from the date of mailing or **physical or electronic** delivery when:

14 3 Certain Property and Liability Insurance; Cancellation, Refusal to Renew; Notice. Amend the
15 introductory paragraph of RSA 417-B:4 and the introductory paragraph of RSA 417-B:4, I to read as
16 follows:

17 No cancellation or refusal to renew by an insurer of a policy of insurance insuring against any of
18 the contingencies set forth in RSA 417-B:1 shall be effective unless the insurer **or its agent either**
19 physically [~~(not electronically)~~] delivers or mails[;] to the named insured, at the address shown in the
20 policy, a written notice of the cancellation or refusal to renew **or electronically delivers to the**
21 **named insured a written notice of cancellation or refusal to renew**. Such notice shall:

22 I. State the date on which such cancellation or refusal to renew shall become effective. The
23 effective date shall not be less than 45 days after the date the notice is mailed or **physically or**
24 **electronically** delivered to the named insured provided however, the effective date may be 10 days
25 from the date of mailing or **physical or electronic** delivery when:

26 4 Commercial Insurance; Notice of CancellationNotice of Nonrenewal and Renewals; Premiums.
27 Amend RSA 417-C:2 through RSA 417-C:4 to read as follows:

28 417-C:2 Notice of Cancellation.

29 I. No notice of cancellation shall be effective unless mailed [or], physically [~~(not~~
30 ~~electronically)~~] delivered **or electronically delivered** by the insurer **or its agent** to the named

1 insureds at least 60 days prior to the effective date of cancellation; provided, however, that where
2 cancellation is for nonpayment of premium or substantial increase in hazard, or the cancellation
3 notice is mailed, **physically delivered, or electronically delivered** within the first 60 days of the
4 effective date for new policies, at least 10 days' notice of cancellation shall be given. In all instances,
5 the reason or reasons for cancellation shall accompany or be included in the notice of cancellation.
6 An insurer shall not be held liable in any claim or suit for damages arising solely from the insurer's
7 compliance with the requirement that the reason for cancellation be specified.

8 II. ~~Notice of cancellation under this section shall be by certified mail, except that in the case~~
9 ~~of cancellation for nonpayment of premium, notice shall be by certified mail or certificate of mailing.~~

10 ~~III.]~~ The commissioner shall have the authority to waive any provision of paragraph I upon
11 the written request of an insurer specifying the reasons therefor.

12 ~~IV.]~~ **III.** This section shall not apply to nonrenewal.

13 417-C:3 Notice of Nonrenewal. No insurer shall ~~increase renewal premiums more than 25~~
14 ~~percent for a 12-month renewal term or~~ refuse to renew a policy at its expiration or anniversary if
15 written for a term of more than one year unless such insurer or its agent shall mail ~~or~~, physically
16 ~~(not electronically)~~ deliver **or electronically deliver** to the named insureds ~~at the address shown~~
17 ~~in the policy,~~ advance notice of ~~the proposed renewal premium or~~ its intention not to renew. The
18 notice shall be at least 60 days in advance of the policy's scheduled expiration or anniversary date.
19 **If all or any part of the 60-day notice is not in advance of the expiration or anniversary**
20 **date, renewal coverage shall be provided on the same terms and conditions as the expiring**
21 **policy until the 60-day notice requirement has been fulfilled.** This section shall not apply ~~if~~
22 ~~the insurer has manifested its willingness to renew with a premium increase of no more than 25~~
23 ~~percent, or~~ in case of nonpayment of premium, or if the insured fails to pay any advance premium
24 required by the insurer for renewal. However, notwithstanding the failure of an insurer to comply
25 with this section, any coverage shall terminate on the effective date of any other coverage acquired
26 by the insured to the extent the acquired coverage substantially duplicates coverages of the renewal.
27 Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation
28 which existed before the effective date of such renewal.

29 417-C:4 Renewals; Premiums.

30 I. Any renewal premium increase in excess of 25 percent is controlled by the provisions of
31 RSA 417-C:3. **The notice may indicate that renewal is conditioned upon the premium**
32 **increase without reference to nonrenewal.**

33 II. Any renewal premium increase of 25 percent or less shall not be implemented until the
34 insured has had a minimum of 30 days' notice of the renewal premium. ~~If all or any part of the 30~~
35 ~~day notice is not in advance of the expiration or anniversary date, renewal coverage shall be~~
36 ~~provided, on a pro rata basis, at the rates or premiums in effect under the expiring policy until the~~

1 ~~30 days' notice requirement has been fulfilled. This paragraph shall not apply if the insured accepts~~
2 ~~the renewal policy.]~~

3 **III. *If the applicable 60-day notice period required by RSA 417-C:3 or 30-day notice***
4 ***period required by paragraph II is not satisfied in advance of the policy's scheduled***
5 ***expiration or anniversary date, renewal coverage shall be provided, on a pro rata basis, at***
6 ***the rates or premiums in effect under the expiring policy until the applicable 60-day or 30-***
7 ***day notice requirement has been fulfilled. This paragraph shall not apply if the insured***
8 ***accepts the renewal policy.***

9 **IV.** Development of renewal premium for the purpose of determining the percentage of
10 change from expiring premium shall be based on the same coverages, conditions, and ratable
11 exposures as those contained in the expiring policy.

12 5 New Chapter; Electronic Delivery of Insurance Documents and Notices. Amend RSA by
13 inserting after chapter 420-P the following new chapter:

14 CHAPTER 420-Q

15 ELECTRONIC DELIVERY OF INSURANCE DOCUMENTS AND NOTICES

16 420-Q:1 Purpose and Scope. The purpose of this chapter is to set forth standards and
17 procedures for electronic delivery of insurance documents and notices in a manner that will promote
18 efficient delivery while maintaining consumer protection.

19 420-Q:2 Delivery Standards and Procedures.

20 I. Subject to the requirements of this section, any notice to a party or any other document
21 required by law in an insurance transaction or that is to serve as evidence of insurance coverage may
22 be delivered, stored, and presented by electronic means if the electronic means meet the
23 requirements of the RSA 294-E.

24 II. Delivery of a notice or document in accordance with this section shall be considered
25 equivalent to and have the same effect as any delivery method required by law, including delivery by
26 first class mail, first class mail with postage prepaid, certified mail, certificate of mail, or certificate
27 of mailing.

28 III. A notice or document may be delivered by electronic means by an insurer to a party
29 pursuant to this section if the following applies:

30 (a) The party has affirmatively consented electronically, or confirmed consent
31 electronically, in a manner that reasonably demonstrates that the party can access information in
32 the electronic form that will be used for notices or documents delivered by electronic means to which
33 the party has given consent, and the party has not withdrawn the consent.

34 (b) The party, before giving consent, is provided with a clear and conspicuous statement
35 informing the party of all of the following:

36 (1) The hardware and software requirements for access to and retention of a notice
37 or document delivered by electronic means.

HB 520 - AS INTRODUCED

- Page 4 -

1 (2) The types of notices and documents to which the party's consent would apply.

2 (3) The right of the party to withdraw consent to have a notice or document delivered
3 by electronic means, at any time, and any conditions or consequences imposed in the event consent is
4 withdrawn.

5 (4) The procedures a party must follow to withdraw consent to have a notice or
6 document delivered by electronic means and to update the party's electronic mail address.

7 (5) The right of a party to have a notice or document delivered, upon request, in
8 paper form.

9 IV. An insurer shall take all measures reasonably calculated to ensure that delivery by
10 electronic means results in receipt of the notice or document by the party.

11 6 Effective Date. This act shall take effect 60 days after its passage.