

**TO:** THE HONORABLE CLARK SHULTZ, CHAIR  
HOUSE INSURANCE COMMITTEE

**FROM:** WILLIAM W. SNEED, LEGISLATIVE COUNSEL  
THE STATE FARM INSURANCE COMPANIES

**RE:** H.B. 2107

**DATE:** FEBRUARY 11, 2013

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent State Farm Insurance Companies ("State Farm"). State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States.

State Farm supports the modernization of the insurance industry set forth in H.B. 2107, which will benefit consumers and insurance customers in this state.

Insurance law in this state requires the delivery of certain types of notices and documents to insurance customers by a variety of means, including, but not limited to, face-to-face delivery, certified mail, and regular mail. In some instances, the manner of delivery is not specified. Today's consumer and customer may prefer to receive notices by other means, more modern means, such as via email or by other electronic methods.

H.B. 2107 is designed to accommodate customer choice and the evolution of how information is provided to people. Today, if an insurance customer wants to receive notices by a way other than "snail mail," if the law provides contrary, an insurer would not be able to honor that request. I respectfully submit that is not the best customer service.

According to the Pew Research Center, nearly 50 percent of consumers in the United States use smart phones. Similarly, over 55 percent of adults in the United States have a laptop computer. We've all seen people around us using these devices, or similar devices as tablets, to conduct day-to-day activities. Frankly, many of us in this very room are likely to use such a device to check email, text messages, or visit the Internet for some reason or another. As paper communications dwindle, the desire to leverage these devices soars. Many want to leverage the speed and convenience of electronic communications. This bill allows that.

I want to focus on the critical aspect of this bill, and that is, its optional nature. This bill is not forcing all consumers to receive communications from an insurer via electronic means. Likewise, the bill does not mandate insurers to do so either. Rather, this bill honors the

The Honorable Clark Shultz

February 11, 2013

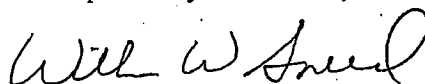
Page two

consumer's CHOICE to have such a means of delivery, while providing consumers with the protections set out in the Uniform Electronic Transaction Act (UETA). If the consumer does not choose to opt in to receive electronic communications, then communications are to be delivered the good old fashioned way.

State Farm strongly supports H.B. 2107 and urges this committee to advance modernization, convenience and consumer choice by way of this legislation, and pass the bill favorably.

I am available for questions at your convenience.

Respectfully submitted,

A handwritten signature in black ink that reads "Will W Sneed". The signature is written in a cursive, slightly slanted style.

William W. Sneed

WWS:kjb