



**Testimony in Support of Senate Bill 85
Electronic Proof of Insurance**

By William A. Larson
Kansas Association of Insurance Agents (KAIA)

February 12, 2013

Mr. Chairman and Members of the Committee,

Thank you for allowing me to appear before you today in support of Senate Bill 85. My name is Will Larson. I am an attorney who works on legal and legislative policy issues for the Kansas Association of Insurance Agents (KAIA). KAIA represents 485 independent insurance agencies in Kansas. Together, our member agencies employ more than 3,000 licensed agents in local communities throughout our state.

Senate Bill 85 is a simple bill with a simple purpose:

- To modernize our state's laws regarding proof of insurance, and
- To reduce unnecessary burdens on the consumer and local law enforcement

This bill would allow people to display proof of insurance on a cell phone or any other type of portable electronic device. If a person is stopped by a law enforcement officer, has to register a vehicle, is involved in an accident or is required to show proof of financial security to the Motor Vehicle Division, he or she would be able to do so - under this bill - by displaying a proof of insurance form on their cell phone or another portable electronic device, such as a tablet, Ipad or laptop computer.

Modernizing Kansas law

We are unquestionably moving toward a more paperless society. Whole generations of particularly young people in this state and, indeed, in this country do almost all of their business on smart phones, Ipads, tablets or laptops. This bill is simply a recognition of that fact. Currently, seven states allow for electronic proof of insurance. At least 21 additional states are considering such legislation.

In drafting this bill we researched all the various statutes under which a person may be required to show proof of insurance or financial security. We then simply added language that would allow a person display such proof on their cell phone or other type of portable electronic device. We also inserted language that prohibits law enforcement officers - or other government employees who may be viewing this information - from viewing any other content on the person's portable electronic device in order to protect the privacy of the individual.

In the bill, we purposely did not define the phrase "portable electronic device" for two reasons: (1) because the term is utilized in other statutes, and (2) because the development of new types of electronic devices is so rapid, a more narrow definition could exclude use of perfectly acceptable devices that might be developed in the future.

Senate Financial Institutions & Ins.

Date: _____

Attachment # _____

Reducing unnecessary burdens

This bill also has the potential to reduce the time and costs associated with not having paper proof of insurance. Currently, if a person is stopped by law enforcement, asked to produce proof of insurance and does not have the paperwork with them to do so, the person is issued a citation. In order to avoid a conviction for failure to provide proof of insurance, the person must go to the police department or courthouse and provide documentation to prove they had insurance at the time of the citation. We believe such instances would be reduced under this bill, thereby, increasing time and cost efficiencies not only for consumers, but also for state and local government.

For all the foregoing reasons, we ask for your support of Senate Bill 85. Thank you again for the opportunity to appear before you today. I would stand for any questions from the committee.

The New York Times

February 7, 2013, 11:01 am

More States Weigh Digital Car Insurance Cards

By ANN CARRNS

I was stopped a while back by a police officer because the registration sticker on my car's license plate had expired. After digging my dog-eared insurance card out of my wallet, I realized that it was out of date, too. My policy was current, but I hadn't put the new card into my wallet when it was mailed to me.

The officer cited me for driving without proof of insurance. The charge was later dropped, when it became clear that I did, in fact, have the appropriate coverage. It would have been handy if I had an app on my smartphone that would let me display my insurance card electronically, just as I can show a boarding pass on my phone to get on an airplane.

As it turns out, many states are changing their laws to allow just that.

Seven states now permit the use of such digital proof of insurance, although details vary, according to the Property Casualty Insurers Association of America, a trade group. Alabama, Arizona, California, Idaho, Louisiana and Minnesota allow their use at traffic stops, and at the time of vehicle registration; Colorado allows their use while registering a car and is considering legislation this year that would expand their use to traffic stops.

Meanwhile, at least 21 more state legislatures are currently considering measures to allow use of the cards: Arkansas, Colorado, Florida, Georgia, Hawaii, Indiana, Iowa, Kansas, Maine, Michigan, Missouri, Mississippi, Ohio, Oregon, Rhode Island, South Carolina, Texas, Utah, Washington, Wisconsin and Wyoming. Wyoming's measure has already cleared the Wyoming State Senate, the association says.

Alex Hageli, director of personal lines policy for the association, said use of electronic identification cards is more convenient for consumers, and can help reduce time spent by courts addressing tickets issued simply because drivers forgot to put the card in their wallets. But until states change their laws and regulations, insurers must still mail out paper cards. "Now is the time to make a small change in the law so insurers and consumers can take advantage of technology and avoid those annoying fix-it tickets," he said in a statement.

The association supports "flexible" rules allowing use of the digital cards as an option for insurers and consumers.

As more states prepare to allow the digital cards, insurers are adding identification cards to their existing smartphone apps, which allow consumers to conduct various insurance-related tasks. State Farm, for instance, offers digital identification cards via its "Pocket Agent" app (although a caveat warns that the card may not meet requirements in all states), and Geico also offers "digital ID cards" via its mobile app.

