

SENATE BILL REPORT

SHB 1845

As Reported by Senate Committee On:
Financial Institutions & Insurance, March 14, 2017

Title: An act relating to the delivery of insurance notices and documents by electronic means.

Brief Description: Concerning the delivery of insurance notices and documents by electronic means.

Sponsors: House Committee on Business & Financial Services (originally sponsored by Representatives Vick, Kirby and Haler).

Brief History: Passed House: 2/28/17, 98-0.

Committee Activity: Financial Institutions & Insurance: 3/14/17, 3/14/17 [DPA].

Brief Summary of Amended Bill

- Authorizes use of an electronic signature as equivalent to a digital signature for insurance notices and documents delivered by electronic means.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass as amended.

Signed by Senators Angel, Chair; Mullet, Ranking Minority Member; Fain, Fortunato and Hobbs.

Staff: Jeff Olsen (786-7428)

Background: Legislation enacted in 2015 authorizes the use of electronic delivery of insurance notices and documents if the party consents to electronic delivery. A notice or any other document required in an insurance transaction may be delivered, stored, or presented by electronic means so long as it meets the requirements of the Washington Electronic Authentication Act (Act). The Act, enacted in 1996, allows the use of digital signature technology in electronic transactions. For purposes of the Act, digital signature means an electronic signature that is a transformation of a message such that a person having the initial message and the signer's public key can accurately determine whether the transformation was created using the private key that corresponds to the signer's public key. In addition, a digital

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signature can determine whether the initial message has been altered since the transformation was made. Under the Act, an electronic signature means a signature in electronic form attached to or logically associated with an electronic record including, but not limited to, a digital signature.

Summary of Amended Bill: An electronic signature is the same as a digital signature as defined under the Act for purposes of delivery of insurance notices and documents by electronic means.

EFFECT OF FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE AMENDMENT(S):

- Clarifies that an electronic signature is the same as a digital signature as defined under the Act.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill corrects the cross reference made two years ago that required the more complex digital signatures and authorizes the use of an electronic signature. The insurance industry worked with the OIC to resolve this issue.

Persons Testifying: PRO: Representative Brandon Vick, Prime Sponsor; Mel Sorensen, Property Casualty Insurers Assoc. of America; American Council of Life Insurers; Steve Buckner, MetLife.

Persons Signed In To Testify But Not Testifying: No one.