

Draft: 4/4/2024

Adopted by the E-Commerce (H) Working Group, April 4, 2024

E-Commerce

(1) E-SIGNATURE

The first category is e-signature. The Uniform Electronic Transactions Act (UETA) defines electronic signature or e-signature as “an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.” The topics in the e-signature category are wet signatures, remote online notarizations (e-notary or RON), and elimination or minimization of notarization requirements.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Wet Signatures	A wet signature is created when an individual physically marks a document, as opposed to e-signature, which happens electronically	Allow affirmative opt-out for e-signatures, make opt-in the default	No conscious decision made for e-signature by consumer	Add opt-in clauses to applications and policies to allow for e-signatures and e-notices	Employee training; may require amending existing state laws; consent to e-signature limited to per transaction

The NAIC's public comment process resulted in the following input:

- The CEJ does not believe opting in should be the default due to the possibility consumers could consent to terms and conditions of which they might not be aware.
- The ACLI notes that there may be benefits to e-signatures, asserting that with proper controls, it is much harder to alter an e-document that has been e-signed after signature (as there are typically audit logs registering every change, certificates of completion, or similar processes and controls in place). As a result, if someone alters a document after e-signature, it is detectable. Conversely, if a paper document is altered after wet signature, there may not be evidence to prove when the document was altered and whether the signer agreed to the alteration.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Lapse/Termination Notices	This topic focuses on the electronic delivery of lapse/termination notices to policyholders	Make electronic communication equal to First class mail; modify UETA and state laws allowing for delivery electronically	Many consumers still want applications, policies and correspondence on paper and will refuse opt-out	Bulletin, regulation or statute to allow for e-delivery any time communication must be sent if valid client email is known.	UETA much broader than just insurance; may require amending existing federal E-SIGN and state laws an bi64 r.36 131.52

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(3) POLICIES

The third category is policies. This category focuses on the insurance policy. The topics in this category are state variations in policy requirements, regulations that include content or filing requirements of enrollment forms, re-delivery requirement of replacement notices in paper form if initially provided electronically, enrollment in employer group coverage, and UETA exclusion of delivery of notices of cancellation or termination of life insurance benefits.

The NAIC's public comment process resulted in the following input:

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Re-delivery requirement of replacement notices in paper form if initially provided electronically	The industry raised concerns that some states require delivery of the replacement notice in paper form for life and annuity sales	This unnecessarily duplicates the effort required by the insurer; eliminate any state law requirement that requires paper delivery			May require amending existing state laws; consumers would have to affirmatively opt-out of electronic communications

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Enrollment in Employer Group Coverage	This topics centers on enrollment in employer group coverages, particularly as it relates to various employer policyholder and/or vendor electronic enrollment platforms		Product filings can be very complex; different state disclosure, signature or delivery requirements; age-based requirements		

The NAIC's public comment process resulted in the following input:

- The ACLI stated that policy delivery to an employer/group policyholders should be streamlined in terms of e-delivery and e-consent.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
UETA excludes delivery of notices of cancellation or termination of life insurance benefits	Similar to the lapse/termination notices topic in the e-notices category above, this topic focuses on the electronic delivery of notices of cancellation or termination of life insurance benefits	115.			

The NAIC's public comment process resulted in the following input:

- The IRI supports e-delivery of documents as the default option, allowing consumers to opt-out of e-delivery if they prefer paper documents. They believe that this approach is aligned with increasing consumer expectations for electronic transactions and provides the tools regulators and insurers need in order to identify and deter fraud.
- The IRI expresses concern about the proposed differentiation between e-insurers and paper insurers, which may create unnecessary complexity and potential impediments to uniform modernization. They also stress that differentiation could provide some insurers with an unfair competitive advantage or cause confusion among consumers.

(4) CLAIMS

The fourth category is claims. This category focuses on insurance claims. The topics in the claims category are claims processing and minimize/modernize licensing requirements related to claims adjustment.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Claims Processing	After a policyholder reports a loss, the use of drones may help expedite the processing of the insurance claim	Allow for the use of drones		Express statutory or regulatory authority for the use of such technology	Concern for accuracy

The NAIC's public comment process resulted in the following input:

- The CEJ expressed concerns about the use of drones for claims processing, citing data privacy and digital rights issues. They believe insurers should obtain upfront consent from consumers for the use of data and include drone use provisions in policy forms, which would allow regulators to review and approve the terms of such use.
- The CEJ emphasized the need for clear guidelines and guardrails to ensure that the use of drones does not result in unfair terms or practices.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Minimize/Modernize licensing requirements related to claims adjustment	The industry raised the potential				

The NAIC's public comment process resulted in the following input:

- The ACLI strongly supports the proposed industry solutions to modernize licensing requirements related to claims adjustment including allowing online licensing courses, utilizing fingerprints across multiple jurisdictions, and providing additional licensing options. They believe that these changes would help support diversity, equity, and inclusion initiatives within both the NAIC and the life insurance industry.
- The CEJ expressed reservations about the proposal to eliminate licensing requirements for adjusters. They believe that licensing adjusters is important for a variety of reasons and question whether the E-Commerce Working Group is the appropriate forum for discussing adjuster licensing proposals.

(5) OTHER

The fifth category is other. This category focuses on other topics that did not fit into any of the four categories above. The topic in the other category is different design element requirements for forms/documents and online materials.

Topic	Explanation of Topic	Industry Request	Concern With Industry Request	Possible Solutions	Possible Complications
Different design element requirements for forms/documents and online materials	The industry raised concerns regarding the various requirements across the states for forms/documents and online materials.	Various requirements across the states are difficult to implement	Document design/website/font size/formatting rules differ	NAIC should work with states to seek uniform standards; standards would allow companies to follow well-defined rules and departments to enforce violations	