

TECHNICAL ADVISORY

INDEPENDENT INSURANCE AGENTS OF LOUISIANA

TA 141

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SUBJECT: E-COMMERCE AND THE LAW

BACKGROUND: As business use of the Internet continues to grow, a number of legal and regulatory issues are gaining increased scrutiny. This is particularly true for the insurance industry, which has historically not only been highly regulated, but has had to deal with a crazy-quilt assortment of various state insurance regulations. The ability of e-commerce to flow unrestricted across state lines presents a growing area of concern for state regulators. In addition, issues of privacy, copyright, fraud, unauthorized access and other problems are subjects of mounting importance.

MAIN POINTS: To address these complex issues, the Independent Insurance Agents of America (IIAA), has just released "***E-Commerce and the Law: Regulatory and Legal Implications of Electronic Commerce on the Insurance Industry.***" This definitive study is the latest project of Future One, a cooperative partnership of IIAA and 30 leading independent agency companies.

The report identifies elements of the current regulatory framework that might block or impede the successful use of the Internet by our industry. Towards that end, the study reviews a wide range of laws and regulations, and addresses their compatibility with electronic commerce.

The report also makes some general recommendations about the types of legislative and regulatory changes necessary to encourage and foster use of the Internet by insurance companies, agent and consumers. In addition, the report includes a series of recommendations for agents and companies to consider as they develop an Internet presence and work with their respective regulators and legislators on these issues.

NECESSARY ACTION: See the attached Table of Contents from the report, as well as the order form. The report is available in one of two formats: a 124-page paper version in a one inch binder, or an electronic version.

Agencies which are currently , or soon will be, active in any form of electronic commerce, including e-mail, web page, and other forms of Internet use, should seriously consider purchasing and reviewing the report from IIAA.