

**Testimony of Kent Blickensderfer, KPB Consulting, LLC, on Behalf of Trellis Technologies, Inc.
In Support of Senate Bill 2075**

**Before the Senate Industry, Business and Labor Committee
January 12, 2021**

Chairman Klein and Members of the Committee:

Thank you for the opportunity to appear in support of Senate Bill 2075 on behalf of Trellis Technologies, Inc., a fast-growing insurance software provider and licensed insurance agency in North Dakota and every other state and the District of Columbia.

Trellis provides software that makes it easier for consumers to shop for insurance, easier for insurers to offer compelling insurance products, and easier for licensed agents to advise consumers on insurance decisions. Senate Bill 2075 would amend current law to ensure that consumers, insurers, and agents can use software platforms like Trellis' to obtain and deliver accurate insurance policy quotes.

The insurance market is not easy to navigate. From choosing the right insurer to selecting the right coverage, buying insurance is difficult for North Dakotans just trying to get auto or homeowners' policies at prices they can afford. Traditionally, buying insurance may have required multiple in-person meetings or lengthy telephone calls, filled with all sorts of information about opaque coverage limits and exclusions. It's a yearly or every-couple-of-years experience that none of us likes.

And so it is unsurprising that many consumers want easier ways to buy insurance. They want to be able to buy insurance online and, especially, they want to compare potential policies with their current policies. But consumers are worried that they might unintentionally buy a policy with less coverage, or subscribe to a payment plan that seems cheaper at first glance but costs more over the policy term than their current policies. Insurers and agents who want to sell insurance online likewise need to understand the coverages, exclusions, and premiums of the consumer's existing policy—but that's difficult without seeing the policy documents.

Trellis' platform, which is available to consumers, insurers, and agents, solves this information problem. The platform is straightforward. Most insurers make policy information available to their insureds on online portals. When these consumers want to comparison shop, they connect to their insurance online portals using Trellis' secure platform. Trellis then analyzes the policy information, providing the consumers, their agents, or their prospective insurers with an easy-to-understand summary of the existing policies' coverages, limits, exclusions, and rates. Trellis can also help connect the consumer to other insurers offering comparable policies, and can help the insurer or agent quote an accurate comparison. The platform provides consumers with the confidence that they are actually comparing apples to apples.

Trellis' platform is the internet-equivalent to having a knowledgeable advisor sit next to you as you read your policy documents, helping you understand the policies so that you can make the right decision about comparable insurance products. Trellis further protects consumers in two ways. First, Trellis is a licensed insurance agency in North Dakota, every other U.S. state, and the District of Columbia. Second, Trellis uses bank-grade encryption and the highest possible security measures to maintain consumers' privacy.

Some in the insurance industry, including at least one large national insurer, have embraced the Trellis platform, partnering with Trellis to better sell insurance products over the internet. We also see a tremendous benefit for insurance agents and brokers who can use Trellis to better counsel consumers. Unfortunately, however, a small corner of the national insurance market views Trellis and similar platforms as a competitive threat, trying to prevent consumers from using our platform through technology blocking. (None of these companies include North Dakota's domestic carriers, as far as we know.) It's a common story in any marketplace: as new technology tools develop that help consumers, most in the market embrace them while a small minority put their energies into trying to stop them rather than competing on the merits. Here, the anticompetitive insurers apparently see it as good business to make it harder for consumers to comparison shop. It's anti-consumer and contrary to North Dakota's history of protecting insurance consumers from industry overreach.

Senate Bill 2075 is a common-sense consumer protection amendment. Current law allows but does not require that insurers make insurance policy information available online. The proposed amendment *does not change* current law in this respect—there is and will not be any requirement that insurers make policy information available online. Rather, the proposed amendment provides that *if* an insurer puts policy information online, the insurer cannot go out of its way to stop consumers from using platforms like Trellis to view and analyze their policies.

The proposed amendment does not require that insurers *do* anything. They can still use the same security processes to prevent unauthorized access to their websites, like two-factor authentication or IP-location monitoring. They have no affirmative obligation to verify that the platform is acting on a consumer's behalf; authorization is presumed when the consumer provides their agent or software platform with their individual login credentials. And insurers do not have to allow malicious software designed to damage or hack their computer networks. Far from imposing burdensome obligations on insurers, the proposed amendment imposes no affirmative burdens at all. It's not telling insurers to do *anything*; it's telling them not to block their own policyholders when they're looking to compare alternatives.

The proposed amendment is an important protection for North Dakota consumers, insurers, and agents. It guarantees that insurers cannot use their technological advantages to stop consumers from getting advice about their current policies and comparison shopping for insurance. Like any competitive

marketplace, the insurance market works better for everyone, and especially North Dakota residents, if consumers have the tools that they need to make the right decisions from themselves and their families.

We thank the Commissioner for offering the proposed amendment and his tireless work on behalf of North Dakotans and insurance consumers. We respectfully ask that you give Senate Bill 2075 as amended a do-pass recommendation.