

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

**REG 2008-00026
CA 09-01**

July 1, 2009

**INITIAL STATEMENT OF REASONS
Proposed Amendments to CAARP Plan of Operations**

PURPOSE OF THE REGULATION

Pursuant to California Insurance Code Section 11620 California Insurance Commissioner Steve Poizner will hold a public hearing regarding the recommendation of the California Automobile Assigned Risk Plan (“CAARP” or “Plan”) to amend the Plan of Operations.

NECESSITY OF REGULATION

As a result of a decrease in Plan application volume and a lack of agenda items, it may no longer be necessary for the Advisory Committee to meet in person six times a year. In order to save money CAARP proposes amendments to the Plan of Operations reducing the minimum number of regularly scheduled in-person Advisory Committee meetings to four, approximately once per calendar quarter. Plan expenses for conducting in person Advisory Committee meetings and Advisory Committee travel expenses will be reduced by changing the number of in person meetings from six to four. In addition, due to the change, the terms “executive session” and “non-executive session” have been defined and added to the definitions section of the Plan of Operations.

IDENTIFICATION OF STUDIES

The proposed amendments rely upon the expertise and experience of CAARP’s Advisory Committee. No data, studies, information or reports were submitted for this proceeding.

SPECIFIC ACTIONS, PROCEDURES, TECHNOLOGIES OR EQUIPMENT

Adoption of the proposed changes would not mandate the use of specific technologies or equipment.

REASONABLE ALTERNATIVES

The Commissioner invites public comments on the proposed changes and reasonable alternatives which would be as effective to carry out the proposed changes.

ECONOMIC IMPACT ON BUSINESS

The Commissioner has initially determined that the proposed changes will not have a significant adverse economic impact on businesses. The Commissioner invites interested parties to comment on whether the proposed changes will have a significant adverse economic impact on business.