

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

**REG-2008-00026  
CA 08-11**

**July 1, 2009**

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

NECESSITY OF REGULATION

When the Electronic Application Submission Interface (“EASi”) was introduced for CAARP private passenger and commercial Plan risks, CAARP adopted the format of the countrywide EASi applications recommended for Plan use. Subsequently, CAARP private passenger and commercial EASi applications were developed. At that time, the Application Requirements sections of the personal and commercial parts of the Plan of Operations were not updated to correspond with the applications. CAARP was made aware of this following an examination by the California Department of Insurance Field Rating and Underwriting Bureau. The proposed changes are necessary to update information provisions in the Plan of Operations to coordinate with information requested on the private passenger and commercial application. This will provide continuity throughout all of the applications avoiding confusing and delaying coverage.

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.