



July 8, 2015

To: The Honorable Hannah-Beth Jackson, Chair
The Honorable John M. W. Moorlach, Vice Chair
Members, Senate Judiciary Committee

From: Kara Cross, Personal Insurance Federation
Armand Feliciano, Association of California Insurance Companies
Shari McHugh, Pacific Association of Domestic Insurance Companies
Christian Rataj, National Association of Mutual Insurance Companies
Steve Suchil, American Insurance Association

**Re: AB 555 (Alejo) Civil Actions
As Amended July 2, 2015**

Senate Judiciary Committee – July 14, 2015

Position – Oppose Unless Amended

The Personal Insurance Federation of California, Association of California Insurance Companies, Pacific Association of Domestic Insurance Companies, National Association of Mutual Insurance Companies and the American Insurance Association, whose members collectively write the vast majority of auto and home insurance in California, **oppose unless amended, AB 555: Civil Actions by Assemblymember Alejo.**

AB 555 in its original form simply removed the sunset provision for voluntary expedited jury trials. Much of the industry supported the original bill AB 2284 (Evans) when the law first passed. This initial bill created a voluntary program that offers parties quick resolution in court by providing a shortened trial (often one day) through limiting oral argument, evidence and the number of jurors. The program was designed to be voluntary, in recognition that not all cases are well-suited for expedited trials.

Since the bill's introduction which removed the sunset on the voluntary program, AB 555 was significantly amended on July 2 without the ability for the Insurance Industry to comment on the language or the process. Given these recent amendments, we have significant concerns regarding the bill and must oppose it in its current form for the following reasons.

Of most concern is that the bill now mandates expedited jury trials for limited civil actions (\$25,000 or less), even though certain cases may be too complex for mandatory expedited jury trials. The current law was supported by a variety of stakeholders due to its voluntary nature.

If AB 555 continues to impose a mandatory program on limited civil actions, we have strong concerns regarding the lack of flexibility in the program and feel strongly that at the very least the following must be addressed for a mandatory programs:

- A sunset provision must be provided to allow for determination of whether such a program is suitable.
- The Opt-Out provision allowing for good cause must include as “good cause” a party’s ability to show that the party needs more than five hours to effectively prosecute or defend the action, unless the parties are able to stipulate to more time.
- Peremptory Challenges must be increased from three to four.

In addition to the above primary concerns the Trades have additional revisions to discuss with the author. We are hopeful that we can work with the author on amending the bill to a suitable form. In the meantime we respectfully **oppose unless amended AB 555**.

If you have any questions regarding the Trades’ position, please contact Kara Cross, General Counsel, PIFC at (916) 442-6646, Armand Feliciano, Vice President ACIC/PCI at (916) 440-1115, Shari McHugh on behalf of PADIC at (916) 930-1993, Christian Rataj, State Affairs Manager, NAMIC at (970) 204-6695, or Steve Suchil, Assistant Vice President, American Insurance Association at (916) 442-7617.

Cc: Assemblymember Luis Alejo, Author
Ronak Daylami, Consultant, Senate Judiciary Committee
Mike Petersen, Consultant, Senate Republican Caucus
Camille Wagner, Secretary of Legislative Affairs, Office of the Governor