

August 27, 2015



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The Honorable Chief Justice Tani Cantil-Sakauye
And Associate Justices
Supreme Court of California
350 McAllister Street
San Francisco, California 94102-4797

Via Overnight Mail

Re: Bermudez v. Ciolek
Supreme Court Case No. S228186
Fourth Appellate District, Division 3, Case No. G049510

The Personal Insurance Federation of California (PIFC) urges the Court to depublish the decision in *Bermudez v. Ciolek*.

PIFC is a state trade association, representing insurance companies, which collectively write the majority of personal homeowners' and auto insurance in the state. PIFC has serious concerns with the ramifications of *Bermudez v. Ciolek* as to the impact on economic and noneconomic damages that could ultimately affect auto and homeowners' insurance premiums in California.

Bermudez threatens to create a two-tiered system of personal injury medical recovery for future expenses, one for those who have health insurance, and one for uninsured plaintiffs, with the latter recovering several times what the former would recover for medical and noneconomic damages.

We believe the law is settled on this issue. This Court rejected a two-tier system in *Howell v Hamilton Meats & Provisions, Inc.*, 52 Cal.4th 541, when it held that the face, or "billed," amount for medical bills is not permissible as evidence for determining actual economic and noneconomic damages. Additionally, *Bermudez* contradicts *Corenbaum v. Lampkin*, 215 Cal.App.4th 1308, a post-*Howell* case on the issue, where the Court of Appeal recognized that such bills are artificial and regularly much higher than contracted amounts with insurers (actual cost), and thus held that allowing *future* economic and noneconomic damages to be based on such inflated bills would create unfair and costly results. *Bermudez* contradicts these cases by holding that, for

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uninsured plaintiffs, unpaid medical bills, at the face amount, are admissible as evidence of the reasonable value of services.

This Court has already held that billed the amount is and must be irrelevant on the issues of plaintiff's damages. For the above reasons, PIFC believes that *Bermudez* should be depublished to avoid undermining settled law in *Howell* and *Corenbaum*.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kara Cross', written over a light blue horizontal line.

Kara Cross
General Counsel

KC:jb