

July 23, 2014



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To: The Honorable Kevin de Leon, Chair
The Honorable Mimi Walters, Vice Chair
Members, Senate Appropriations Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kara Cross, General Counsel
Manolo P. Platin, Senior Legislative Advocate

Re: AB 2064 (Cooley) Earthquake Insurance and Mandatory Offer

Senate Appropriations Committee Hearing, August 4, 2014

PIFC Position: Support

The Personal Insurance Federation of California, representing seven of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate, Mercury and Nationwide) who collectively write a majority of the personal line auto and home insurance in California, **supports AB 2064 Earthquake Insurance and Mandatory Offer by Assemblymember Cooley.**

AB 2064 modernizes the California Mandatory Earthquake Insurance Offer that insurers are required to make to their residential property insurance policyholders. The current Mandatory Offer was last updated in the previous century and does not accurately reflect today's earthquake insurance offerings, particularly certain products offered by the California Earthquake Authority (CEA).

PIFC supports the continued operation of the CEA and has worked closely with the Authority on AB 2064. Beyond modernizing the Mandatory Earthquake Insurance Offer language, AB 2064 requires CEA member companies to additionally provide annual marketing documents to their policyholders about the availability and benefits of CEA coverage.

For these reasons, PIFC **supports AB 2064 Earthquake Insurance and Mandatory Offer by Assemblymember Cooley and urges your "aye" vote.** If you have any questions regarding PIFC's position, please contact Manolo P. Platin at (916) 442-6646.

cc: Assemblymember Ken Cooley, Author
Brendan McCarthy, Consultant, Senate Appropriations Committee
Tim Conaghan, Consultant, Senate Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor
Robert Herrell, Legislative Director, California Department of Insurance