

July 23, 2014

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 2724 (Bradford) Failure to Appear in Court: Fines

Senate Appropriations Committee Hearing, August 14, 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 2724 Failure to Appear in Court: Fines by Assemblymember Bradford.**

AB 2724 would allow people facing court assessment fees for failure to appear in court an opportunity to contest said fees without first having to pay them. Secondly, the bill would authorize courts to permit payment plans or community service to be performed for unpaid traffic tickets in lieu of fines and, if such an agreement is made, allow the court to request that a license hold be lifted from the affected party.

PIFC and its member companies have a long history of support for sound measures that serve to reduce injuries and enhance public safety. In our support for AB 60 (Alejo, 2013) we argued that current law prevented many immigrants from receiving the proper training and testing to be safe, licensed and insured drivers. By passing AB 60, California roads will be safer because allowing all California drivers to obtain drivers' licenses on the basis of ability to pass the certification requirements of the Department of Motor Vehicles.

In a similar sense, low income Californians who have been unable to pay tickets or assessments get their drivers licenses suspended by the courts. Traffic assessment fees can have a ruinous effect on low income Californians because, under current law, a person wishing to contest such a fee on the grounds of good cause, must first pay the fine before they can contest their case before a judge. If they are unable to pay the fine, low income may miss their chance to plead good cause and, as a result, may have a hold placed on their driver's license. Such a hold may impact their ability to find and keep a job and, thus, to pay their fines. This means they often can go years without a drivers' license. Because of these financial barriers, they can often go years without a drivers' license and subsequently, drop their insurance coverage.

We believe that AB 2724 will allow low income people to contest their failure-to-appear fines without having to pay said fines first which will help to reverse a



STATE FARM

FARMERS

LIBERTY MUTUAL
INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

NATIONWIDE

damaging trend that can result in lost livelihood for citizens and lost fees for the courts. Further, by reinstating the licenses of people who arrange a court approved payment plan or community service commitment, AB 2724 ensures more people will be able to find and keep employment and, thus, be able to fulfill their required payments and maintain their insurance coverage. Ultimately, this will not only benefit the courts, the counties, the state, and the programs that receive funds from the payment of traffic tickets, but also enhance public safety by allowing these individuals to maintain their auto insurance.

For this reason, PIFC **supports AB 2724 Failure to Appear in Court: Fines by Assemblymember Bradford and urges your “aye” vote.** If you have any questions regarding PIFC’s position, please contact Michael A. Gunning at (916) 442-6646.

cc: Assemblymember Stephen Bradford, Author
Mark McKenzie, Senate Appropriations Committee
Gary Olson, Consultant, Senate Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor
Robert Herrell, Legislative Director, California Department of Insurance