

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 2735 (Committee on Insurance) Earthquake Insurance

**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 2735 Earthquake Insurance by the Assembly Committee on Insurance.**

AB 2735 would provide a simple clarification that if a consumer has purchased the California Earthquake Authority's (CEA) Choice Product, they would not also receive an additional, confusing and erroneous offer stating they do not have earthquake insurance. The intent of creating the Choice Product was to give consumers additional options and without this necessary technical fix, consumers are at risk of confusion.

This language reflects the work of the CEA and the insurance industry and would ensure consumers receive consistent communication about their earthquake insurance options in California.

For this reason, PIFC **supports AB 2735 Earthquake Insurance by Assemblymember Perea and urges your "aye" vote.** If you have any questions regarding PIFC's position, please contact Manolo P. Platin at (916) 442-6646.

cc: Mark Rakich, Chief Consultant, Assembly Insurance Committee  
Tim Conaghan, Consultant, Senate Republican Caucus  
Brendan McCarthy, Consultant, Senate Appropriations Committee  
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor  
Robert Herrell, Legislative Director, California Department of Insurance



STATE FARM

FARMERS

LIBERTY MUTUAL  
INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

NATIONWIDE