

June 18, 2014

To: The Honorable William Monning, Chair
The Honorable Ted Gaines, Vice Chair
Members, Senate Insurance Committee

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

Re: AB 2735 (Perea) Earthquake Insurance

Senate Insurance Hearing, June 25, 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: Assemblymember Henry T. Perea, Author
Hugh Slayden, Consultant, Senate Insurance 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



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