

June 18, 2013

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, Legislative Advocate

Re: AB 306 (Lowenthal) Vehicles: Motor Carrier
As Amended May 29, 2013



STATE FARM

FARMERS

LIBERTY MUTUAL
INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

Senate Appropriations Committee Hearing, June 24, 2013
PIFC Position: Support

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate and Mercury) who collectively write a majority of the personal line auto and home insurance in California, **supports AB 306: Vehicles: Motor Carrier by Assembly Member Lowenthal.**

For the past five years the insurance industry has worked in conjunction with the California Tow Truck Association on legislation to restrict the actions of fraudulent tow companies and operators that take advantage of consumers. Most recently, we worked to pass AB 519 (Solorio) in 2010. AB 519 was the culmination of efforts to ensure that the rights of consumers are realized by helping them understand towing fees and their access rights when their vehicle is towed or stored. The measure created a notice that informs consumers of important information related to a tow, such as: how much a towing company can charge, where a person can complain, and one's rights when a vehicle is towed.

This year we support the current effort, AB 306, which is designed to increase motorist safety. The bill will ensure the towing industry is filled with law-abiding operators by amending Vehicle Code section 34620 to establish a requirement that all motor carriers must receive proof of a Motor Carrier Permit (MCP) from another motor carrier seeking to retrieve or drop-off a vehicle at its premises. AB 306 would ensure that tower-to-tower transactions are only conducted by those who are properly licensed, insured, and authorized to operate in California. The measure would allow the industry to self-police, as an adjunct to the enforcement already provided by the California Highway Patrol and the Department of Motor Vehicles.

AB 306 closes the loophole that allows unscrupulous carriers to continue to transport vehicles to and from vehicle storage yards without first obtaining a MCP by requiring vehicle storage yards to obtain proof of a valid motor carrier permit before a vehicle can be retrieved or released. By ensuring that all commercial motor carriers possess MCPs, this bill will increase safety on California's roadways and eliminate the unfair business advantage that certain unscrupulous commercial carriers gain by failing to abide by the law.

For the reasons stated above PIFC **supports AB 306 by Assembly Member Lowenthal and urges your "aye" vote.** If you have any questions regarding PIFC's position, please contact Michael A. Gunning at (916) 442-6646.

cc: Assembly Member Bonnie Lowenthal, Author
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor
Mark McKenzie, Staff Director, Senate Appropriations Committee
Matt Osterli, Consultant, Senate Republican Caucus