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MEMORANDUM

Date: June 14, 2011

To: The Honorable Ron Calderon, Chair
The Honorable Ted Gaines, Vice Chair
Members, Senate Insurance Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kimberley Dellinger Dunn, General Counsel
Manolo P. Platin, Legislative Advocate

Re: AB 1098 (Hagman): Insurance: unlawful practices
As Amended March 31, 2011

Senate Insurance Committee – Hearing June 22, 2011 PIFC Position: Support

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Group, Progressive, Allstate and Mercury) and one national trade association (National Association of Mutual Insurance Companies) who collectively write a majority of the personal line auto and home insurance in California, **supports AB 1098 by Assembly Member Hagman.**

AB 1098 would require a written request from the Department of Insurance ("the Department") to an insurance company for the disclosure of the denial of a registered auto body repair shop to participate in the company's direct repair program.

In order to protect privacy rights, insurance carriers need written documentation from the Department. This will ensure that the person to whom carriers release the information has the authority to receive it. Any other method of requested information would potentially violate privacy rights.

For the foregoing reasons, **PIFC supports AB 1098** 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 Curt Hagman, Author
Ken Cooley, Senate Insurance Committee
Tim Conaghan, Senate Republican Caucus
Gareth Elliott, Secretary of Legislative Affairs, Office of the Governor
Randall Ward, Director, Office of the Insurance Advisor