



## MEMORANDUM

Date: May 27, 2008

To: The Honorable Mike Machado, Chair  
The Honorable George Runner, Vice Chair  
Members, Senate Banking, Finance and Insurance Committee

From: Rex D. Frazier, President  
Michael A. Gunning, Vice President  
Kimberley Dellinger, General Counsel  
Ermelinda Ruiz, Legislative Advocate

Re: AB 2139 (De La Torre): Auto Insurance: In-Home Supportive Services  
Senate Banking, Finance and Insurance Committee Hearing June 4, 2008  
**PIFC Position: Oppose unless amended**

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The Personal Insurance Federation of California, representing insurers who write approximately 50% of the auto insurance sold in the state, including State Farm, Farmers, Safeco, aigdirect.com, Progressive and NAMIC, is **opposed unless amended to AB 2139 authored by Assembly Member De La Torre.**

This bill would prohibit an automobile insurance policy from excluding from coverage the use of the vehicle by the insured in the performance of any in-home supportive services. The bill would also prohibit an insurer from classifying any vehicle as a common carrier, livery, or for-hire vehicle solely because it is being used to provide transportation for in-home supportive services.

It is PIFC's understanding that typically family members provide these types of services. Our concern is that AB 2139 would prevent our members from properly rating their policyholders. If the author's intent is to allow family members to occasionally use their vehicles to help other family members, then the bill should be clarified to allow this activity. We thereby suggest the following:

*(i) On or after January 1, 2009, no policy of automobile insurance described in subdivision (a) shall be issued, amended, or renewed in this state if it contains any provision that expressly or impliedly excludes from coverage under the policy the operation or use of an insured motor vehicle by the named insured in the performance of ~~any~~ in-home supportive services described in Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code. When such services are provided for an*

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individual with whom the insured has a familial affiliation, as defined in subdivision (k).

~~(j)-No~~ A motor vehicle covered under a policy of insurance issued under this section may not be classified as a common carrier, livery, or for-hire vehicle solely for the reason that the named insured or applicant is operating or using the insured motor vehicle to provide transportation incidental to the provision of in-home supportive services described in

(k) "Familial affiliation" means any relationship as a spouse, child, parent, sibling, spouse's parent, child's spouse, domestic partner or other blood or marital relative.

PIFC has offered the author these amendments that would specifically narrow the scope of the bill to pertain to individual's with whom the insured has a familial affiliation. If accepted, we would remove our opposition. Until such time, **PIFC is opposed unless amended to AB 2139 and urges your no vote.** If you have any additional questions regarding our position, please do not hesitate to contact Michael A. Gunning at (916) 442-6646.

cc: Assembly Member De La Torre (Author)  
Mike Proso, Chief Deputy, Legislative Affairs Secretary, Office of the Governor  
Erin Ryan, Consultant, Senate BF&I Committee  
Tim Conaghan, Consultant, Senate Republican Caucus  
Kathleen Webb, Office of the Insurance Advisor