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MEMORANDUM

Date: May 4, 2006

To: The Honorable Judy Chu, Chair
Members, Assembly Appropriations Committee

From: Rex Frazier, Vice President & General Counsel
Michael A. Gunning, Vice President
Michael A. Paiva, Senior Legislative Advocate

Re: AB 2387 (Vargas): Insurance Agents: Education *As Amended May 3, 2006*
Assembly Appropriations Committee: May 10, 2006
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write nearly 50% of all personal lines insurance sold in California, including State Farm, Farmers, Safeco, Progressive, 21st Century and NAMIC, **supports AB 2387** (Vargas) which would allow insurance agents to take classes on-line.

Under current law, insurance agents must obtain their pre-licensing training in a "classroom." AB 2387 is an enlightened measure that recognizes that, with the widespread acceptance of the internet, a quality education can be obtained "on-line" and outside the traditional classroom. Many institutes of higher learning appreciate the fact that on-line education works well. Therefore, it is appropriate that the Department of Insurance adopt on-line education as a way to train insurance agents.

In addition, the author correctly notes that allowing insurance agents to obtain their education on-line will increase the number of agents who are able to work within their own communities. The societal benefit of this is that consumers will be able to literally turn to their neighbors for vital insurance products.

For all of the reasons noted above, **PIFC supports AB 2387 and urges your aye vote.** If you have any questions, please contact Michael Paiva at (916) 442-6646.

cc: Honorable Juan Vargas, Author
Julie Salley-Gray, Assembly Appropriations Committee
Chris Ryan, Assembly Republican Fiscal
Cynthia Bryant, Office of the Governor
Kathleen Webb, Office of the Insurance Advisor

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