

## ASSEMBLY FLOOR ALERT



**Date:** August 24, 2010

**To:** Members, California State Assembly

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

**Re:** AB 2404 (Hill): Insurance, As Amended August 18, 2010  
**PIFC Position: Oppose**

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The Personal Insurance Federation of California (PIFC), representing insurers who write over 60% of the auto and home insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, Progressive, and NAMIC, **opposes AB 2404 by Assembly Member Hill.**

We have worked with the author and sponsor, the California Department of Insurance (“the Department”), to address the concerns we have had with the measure. Unfortunately, we have not been able to reach a resolution on the section that relates to cancellation fees.

PIFC strongly believes that the proposed changes to Section 481,(c),1 would lead to increased costs, inhibiting to the sales process, and is unworkable. AB 2404 would lead to the expensive creation of new disclosure systems. Further, the Department has failed to fully demonstrate, specifically, the scope and breadth of the problem that this bill would correct - just that they have received complaints. PIFC suggests the Department focus their efforts on educating consumers of potential cancellation fees rather than pursuing a legislative fix to address the small number of complaints they may have received.

For the foregoing reasons, **PIFC opposes AB 2404** and urges your “no” vote. If you have any questions regarding PIFC’s opposition, please contact Michael A. Gunning at (916) 442-6646.

cc: Honorable Jerry Hill, Author  
Michael Proso, Deputy Chief of Staff and Legislative Affairs Secretary, Office of the Governor  
Manny Hernandez, Assembly Committee on Insurance  
Kevin Hanley, Assembly Republican Caucus  
Randall Ward, Insurance Advisor Director, Office of the Governor