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MEMORANDUM

Date: April 18, 2006

To: The Honorable Jenny Oropeza, Chair
Members, Assembly Transportation Committee

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

Re: AB 2427 (Canciamilla) Motorcycle Helmets
Assembly Transportation Committee Hearing – April 24, 2006
PIFC Position: Oppose

The Personal Insurance Federation of California, representing insurers who write over 44% of the auto insurance sold in the state, including Farmers, 21st Century, Safeco, Progressive, State Farm and NAMIC, **opposes Assembly Bill 2427** by Assemblyman Canciamilla.

AB 2427 would effectively repeal the motorcycle helmet law by exempting those who are over 18 years and have either completed a motorcycle rider training program and has been issued a motorcycle license from another jurisdiction, for two years or more. Our opposition to this bill can be simply stated -- **Enactment of AB 2427 will increase the number of motorcycle related deaths, result in greater numbers and increased severity of motorcycle related injuries, and increase the cost taxpayers pay for county health services.**

According to the California Highway Patrol, motorcycle injuries and fatalities have decreased by over 50% since the helmet law was enacted in 1992. AB 2427 will reverse this downward trend, resulting in more deaths and permanent disabilities as a result of traumatic head injuries.

Studies conducted by the University of Southern California and the University of California at Davis concluded that helmet use is the single most important factor governing survival in motorcycle crashes. Public opinion surveys conducted by the National Highway Traffic Safety Administration (NHTSA) found that public support for motorcycle helmet laws in the U.S. is very strong, with four out of five persons indicating support for helmet laws.

Aside from saving lives and decreasing motorcycle-related injuries, there are other societal interests gained by enforcing strong helmet laws. Motorcycle fatalities and injuries impose a multi-million dollar societal cost on taxpayers each year. We believe that most drivers injured in motorcycle accidents do not have health insurance sufficient to cover the millions of dollars in acute and long-term care frequently associated with serious debilitating head

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injuries. These costs instead are borne by taxpayers through increased costs for Medicare and county health services. NHTSA estimates that motorcycle helmet use nationwide saved \$10.4 billion in economic costs from 1984 to 1996, and that an additional \$9.2 billion would have been saved if all motorcyclists had worn helmets during that same time period. To the extent such injuries are covered by insurance, the increased claims costs attributable to such injuries drive up the cost of health insurance and motor vehicle insurance for all policyholders.

For the foregoing reasons, **PIFC opposes AB 2427 and urges your "no" vote.** If you have any questions regarding PIFC's opposition, please contact Michael Gunning at (916) 442-6646.

CC: Honorable Joe Canciamilla, Author
Howard Posner, Assembly Transportation Committee
Gregson Porteous, Assembly Republican Caucus
Cynthia Bryant, Deputy Legislative Secretary for the Governor
Kathleen Webb, Office of the Insurance Advisor