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MEMORANDUM

Date: April 14, 2010

To: The Honorable Jose Solorio, Chair
The Honorable Sam Blakeslee, Vice Chair
Members, Assembly Insurance Committee

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

Re: AB 2535 (Blakeslee) Insurance Commissioner: California Earthquake Authority

Assembly Insurance Committee – Hearing April 21, 2010

PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write over 60% of the auto insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, Progressive, and NAMIC, **supports AB 2535 by Assembly Member Blakeslee.**

AB 2535 will promote transparency and encourage more environmentally friendly practices within the California Earthquake Authority (CEA), by requiring specified documents and materials, currently required to be made available in written format, be made available in electronic format.

The current statute deals with participation in the CEA – specifically the process of a nonparticipating insurer's subsequent participation in the authority. The CEA has the authority to modify the requirements, currently set out in statute, for entry into the CEA, based upon a finding of necessity, as defined.

Current law also states that all documents and materials used or prepared by the authority to make a finding of necessity are considered public documents. Copies of those public documents must be made available to the public for inspection at no charge and members of the public may purchase copies of these documents from the authority at actual cost. However, existing law does not provide for these documents to be made available in an electronic format. AB 2535 would provide for that option.

For the foregoing reasons, **PIFC supports AB 2535** and urges your **“yes”** vote. If you have any questions regarding PIFC's support, please contact Kimberley Dellinger Dunn at (916) 442-6646.

cc: Honorable Sam Blakeslee, Author
Mark Rakich, Assembly Insurance Committee
Kevin Hanley, Assembly Republican Caucus
Mike Prosis, Legislative Secretary for the Governor