



PIFC

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21ST CENTURY
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NAMIC

MEMORANDUM

Date: May 22, 2007

To: The Honorable Mark Leno, Chair
Members, Assembly Appropriations Committee

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

Re: AB 797 (Coto): Insurance agents
As Amended May 15, 2007
Assembly Appropriations Committee Hearing: May 23, 2007
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write over 50% of all personal lines insurance sold in California, including State Farm, Farmers, Safeco, 21st Century, Progressive, and NAMIC, supports **Assembly Bill 797** authored by the Assembly Member Joe Coto.

AB 797 would authorize the California Department of Insurance (CDI) to create a limited lines automobile insurance license, specifically to sell any limit of automobile insurance coverage. In addition, this bill would require limited lines agents to undergo 20 hours of pre-licensing education and 20 hours of continuing education prior to renewing their license. This type of license will allow an agent to sell automobile insurance coverage at any limit and at the same time give the customer the opportunity to purchase additional coverage if they choose.

It is estimated that there are approximately 3-4 million uninsured motorists in this state, many of which are in the poorest communities. Since auto insurance is mandatory in California, it is important that all drivers comply with the law. While this bill does not solve the uninsured motorist problem, it is certainly a step in the right direction in helping to combat it by offering more options to the consumer.

AB 797 will help insurers to better service underserved communities and provide these communities with access to the type of coverage that is appropriate for their individual needs.

For the above reasons, **PIFC supports AB 797 (Coto)**. If you have any additional questions regarding our position, please contact Ermelinda Ruiz at (916) 442-6646.

cc: The Honorable Joe Coto (Author)
Mike Proso, Chief Deputy, Legislative Affairs Secretary to the Governor
Julie Salley-Gray, Consultant, Assembly Appropriations Committee
Chris Ryan, Consultant, Assembly Republican Fiscal Office
Kathleen Webb, Office of the Insurance Advisor

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