



MEMORANDUM

Date: June 22, 2009

To: The Honorable Alan Lowenthal, Chairman
The Honorable Robert Huff, Vice Chairman
Members, Senate Transportation and Housing Committee

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

Re: AB 519 (Duvall) Vehicles: Towing Fees and Access Notice
Senate Transportation and Housing Committee – Hearing June 23, 2009
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write over 60% of the auto insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, 21st Century, Progressive, and NAMIC, **supports AB 519 by Assemblyman Mike Duvall.**

PIFC and its member companies have a long history of support for sound public policy measures that benefit consumers. Over the past year, the author, PIFC, the California Tow Truck Association, and other interested parties have been meeting to develop a comprehensive towing fees and access notice for towed vehicles.

All of us are familiar with the actions of fraudulent tow companies and operators that take advantage of consumers at their most vulnerable moments – following an accident or vehicle break down on the side of the road. Many times the vehicle is taken without authorization, the owner is given no cost estimate, no receipt, and no information telling him/her where the car was taken. Eventually, days later, maybe a week, the vehicle owner, or even the insurance company may track down the lot where the car is located, only to find out that the tow company has charged outrageous fees for towing and storage.

Last year, the author introduced AB 3004 to address some of these issues, particularly the lien filing process. While this bill would have greatly aided consumers with the lien filing process, it did not address the fundamental need for consumers to understand all of their rights when their vehicle is towed. All of the participants felt strongly that consumer rights regarding access and release of their vehicles, at a pricing level that is consistent throughout the state, should be readily available to all California consumers. The group agreed to shelve AB 3004 and continue to work together in 2009. AB 519 is the culmination of our efforts.

AB 519 represents a significant step forward in helping consumers understand towing fees and their access rights when their vehicle is towed or stored. The measure creates a notice that informs consumers of important information related to a tow, such as: how

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much a towing company can charge, where a person can complain, and one's rights when a vehicle is towed. The notice must be made available upon request.

This information will help alleviate the frustration felt by consumers who do not currently know the laws applicable to nonconsensual tows. AB 519 will help consumers know exactly what to expect, exactly what questions to ask, and where to go to seek redress of any improprieties. For the foregoing reasons, **PIFC supports AB 519** and urges your **"yes"** vote. If you have any questions regarding PIFC's support, please contact Michael Gunning at (916) 442-6646.

cc: Honorable Mike Duvall, Author
Senate Transportation and Housing Committee
Ted Morley, Senate Republican Caucus
Mike Proso, Legislative Secretary for the Governor
Manolo Platin, Office of the Insurance Advisor