



## MEMORANDUM

**Date:** June 18, 2009

**To:** The Honorable Jose Solorio, Chair  
The Honorable Martin Garrick, Vice Chair  
Members, Assembly Insurance Committee

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

**Re:** SB 156 (Wright) Insurance: Fraud Prevention and Detection  
Assembly Insurance Committee – June 24, 2009  
**PIFC Position: Support**

The Personal Insurance Federation of California, representing insurers who write over 60% of the home and auto insurance sold in the state, including State Farm, Allstate, Farmers, Liberty Mutual Group, 21<sup>st</sup> Century, Progressive, and NAMIC, **supports SB 156 by Senator Rod Wright.**

SB 156 would allow the Insurance Commissioner, or his designee, to convene meetings with representatives of insurance companies to discuss specific information concerning suspected, anticipated, or completed acts of insurance fraud.

Insurance fraud is a growing problem in California. Many people do not understand how insurance fraud can and does affect them. The economic consequences and losses to California consumers and the economy are staggering. It not only affects the cost of premiums but the cost of doing business in the state as well.

PIFC member companies have a long history of working to fight and prevent insurance fraud. Each of our member companies has Special Investigation Units (SIUs) that work hard to root out and prevent instances of fraud. Many times, working as individual company SIUs they may not see the larger scope or trends in insurance fraud. By collaborating with the Insurance Commissioner and other companies, we may be able to spot these trends and prevent instances of future fraud.

For the reasons stated above PIFC expresses our strong support for **SB 156** and urges your **"Aye"** vote. If you have any questions regarding PIFC's support, please contact Michael Gunning at (916) 442-6646.

cc: Honorable Rod Wright  
Mark Rakich, Assembly Insurance Committee  
Kevin Hanley, Assembly Republican Caucus  
Mike Proso, Legislative Secretary for the Governor  
Manolo Platin, Office of the Insurance Advisor

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