

August 14, 2013



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To: The Honorable Mike Gatto, Chair
The Honorable Diane L. Harkey, Vice Chair
Members, Assembly Appropriations Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kara Cross, General Counsel
Manolo P. Platin, Legislative Advocate

Re: SB 522 (Hueso) Dependent Children
As Amended, August 5, 2013

Assembly Appropriations Committee Hearing, August 21, 2013
PIFC Position: Support

The Personal Insurance Federation of California, representing seven of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate, Mercury and Nationwide) who collectively write a majority of the personal line auto and home insurance in California, **supports SB 522: Dependent Children by Senator Hueso.**

The Foster Care Home and Small Home Insurance Fund (Fund) was created in 1986 to provide coverage for licensed foster family homes in response to an insurance availability shortage. Along with the Fund, several changes were made in the provisions governing homeowners' insurance coverage for foster homes (CIC 676.7). This bill does not impact those provisions.

SB 522 would ensure that foster children are entitled to be compensated in the event of harm, and would help ensure the stability of the state's foster care system. Under this bill, any criminal or willful act that is committed by the foster parent would continue to be exempted from coverage – as is standard with all insurance policies – but acts that harm the foster child due to negligence of the foster parent would be covered.

Without these provisions, foster children who have been harmed due to negligence of the foster family are stuck without coverage in these unfortunate circumstances. Under current law, foster children in this situation must rely on the private insurance their foster parent may have, in order to receive compensation. Because private homeowners' policies exclude intentional and criminal acts, there is no relief available to the harmed child.

This bill would make a small change that is reflected in the intent of the enabling statute, relevant case law and is consistent with long-standing Department of Social Services guidance.

For these reasons, PIFC supports SB 522: Dependent Children by Senator Hueso and urges your "aye" vote. If you have any questions regarding PIFC's position, please contact Manolo P. Platin at (916) 442-6646.

cc: Senator Ben Hueso, Author
Julie Salley-Gray, Consultant, Assembly Appropriations Committee
Mary Bellamy, Consultant, Assembly Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor