


March 12, 2008

TO: Members of the Senate Banking, Finance & Insurance Committee

FROM: Robert Callahan, Policy Analyst 

**SUBJECT: SB 1167 (WIGGINS) INSURANCE: VEHICLE REPAIR.
SCHEDULED FOR HEARING – APRIL 2, 2008.
OPPOSE**

The California Chamber of Commerce **OPPOSES SB 1167 (Wiggins)**, which inappropriately limits informed consumer choice by restricting the information that insurers can provide to policyholders in regards to their auto repair options.

Current law empowers policyholders by providing for informed consumer decision-making. Following a car accident, insurers can provide information about repair options to the consumer but the consumer is still given the freedom to choose any repair shop they desire. Additionally, current law restricts “steering” by insurers, who are prohibited from suggesting or recommending the selection of a specific repair shop if the policyholder has already chosen one.

SB 1167, on the other hand, seeks to restrict informed consumer choice by prohibiting insurers from even discussing additional repair options with the consumer if the consumer has already selected a body shop. Rather than protecting consumers from “steering” as current law does, this bill would actually harm consumers by restricting their ability to make an informed decision when choosing where to have their vehicle repaired.

The CalChamber believes that consumers should have as much information as possible when considering their automotive repair options. For all of these reasons, the CalChamber **OPPOSES SB 1167 (Wiggins)**.

Cc: The Honorable Patricia Wiggins
Mike Prozio, Office of the Governor
Tim Conaghan, Senate Republican Caucus
Senate Banking, Finance & Insurance Committee