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MEMORANDUM

Date: April 7, 2008

To: The Honorable Mike Machado, Chair
The Honorable George Runner, Vice Chair
Members, Senate Banking, Finance and Insurance Committee

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

Re: SB 1371 (Correa) Insurance: Automobile Repair Estimates
Senate Banking, Finance & Insurance Committee – April 16, 2008
PIFC Position: Support

The Personal Insurance Federation of California, representing insurers who write over 50% of the auto insurance sold in the state, including Farmers, aigdirect.com, Safeco, Progressive, State Farm and NAMIC, **supports SB 1371 authored by Senator Lou Correa.**

As proposed to be amended, SB 1371 would prohibit insurers from engaging in the practice of capping. Capping is to be defined as offering or paying an amount that is unrelated to an accepted industry methodology used in determining paint and materials charges or placing a factually unsupported limit for such charges.

PIFC continues to work with the automotive repair industry to finalize this “work in progress” and remains committed to reaching consensus on the outstanding issues related to this important measure.

For the foregoing reasons, **PIFC supports SB 1371** and urges your “aye” vote. If you have any questions regarding PIFC’s opposition, please contact Michael Gunning at (916) 442-6646.

cc: Honorable Lou Correa, Author
Erin Ryan, Senate Banking, Finance & Insurance Committee
Tim Conaghan, Consultant, Senate Republican Caucus
Mike Pro시오, Chief Deputy, Legislative Secretary for the Governor
Kathleen Webb, Office of the Insurance Advisor