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MEMORANDUM

Date: April 20, 2011

To: The Honorable Ron Calderon, Chair
The Honorable Ted Gaines, Vice Chair
Members, Senate Insurance Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kimberley Dellinger Dunn, General Counsel
Manolo P. Platin, Legislative Advocate

Re: SB 596 (Price): Insurance: disclosures
As Introduced, February 17, 2011

Senate Insurance Committee – Hearing April 27, 2011 PIFC Position: Support

The Personal Insurance Federation of California, representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Group, Progressive, Allstate and Mercury) and one national trade association (National Association of Mutual Insurance Companies) who collectively write a majority of the personal line auto and home insurance in California, **supports SB 596 by Senator Price.**

SB 596 would improve disclosure and notification requirements and reduce costs by eliminating separate mailing requirements for certain documents. Under current law, consumers are often confused when presented with numerous customer communications from their insurance company – documents that must be mailed separately under the Insurance Code.

In addition to improving the consumer disclosure process, SB 596 would increase administrative efficiencies and reduce paper output. In fact, a one-sheet reduction in paper disclosures to homeowner policyholders could save five to seven million sheets of paper annually. That means SB 596 would save an estimated 4.7 million pieces of paper each year.

Ultimately, SB 596 is about improving an inefficient process that unintentionally results in consumer confusion and wasted resources. Requiring separate mailing is inconsistent with today's modern approach to communicating with consumers and is a time-intensive, expensive and paper-consuming process that can increase the likelihood of errors, customer confusion and dissatisfaction.

For the above reasons, **PIFC supports SB 596** 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 Curren Price, Author
Kenneth Cooley, Senate Insurance Committee
Tim Conaghan, Senate Republican Caucus
Gareth Elliott, Secretary of Legislative Affairs, Office of the Governor
Randall Ward, Director, Office of the Insurance Advisor