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## MEMORANDUM

**Date:** June 14, 2011

**To:** The Honorable Jose Solorio, Chair  
The Honorable Curt Hagman, Vice Chair  
Members, Assembly 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 Amended May 2, 2011

### **Assembly Insurance Committee – Hearing June 22, 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  
Manny Hernandez, Assembly Insurance Committee  
Kevin Hanley, Assembly Republican Caucus  
Gareth Elliott, Secretary of Legislative Affairs, Office of the Governor  
Randall Ward, Director, Office of the Insurance Advisor