



Personal Insurance Federation of California

California's Personal Lines Trade Association

REPRESENTING THE LEADING AUTOMOBILE AND HOMEOWNERS INSURERS

State Farm • Farmers • 21st Century Insurance Group • SAFECO • Progressive

MEMORANDUM

STAFF
Dan Dunmoyer
President

Diane Colborn
Vice President of Legislative
& Regulatory Affairs

Michael Gunning
Senior Legislative Advocate

Dan Chick
Senior Legislative Advocate

Jerry Davies
Director of Communications

Date: July 17, 2003

To: The Honorable Dede Alpert, Chair
Members, Senate Appropriations Committee

From: Dan C. Dunmoyer, President
G. Diane Colborn, Vice President of Legislative and Regulatory Affairs
Michael Gunning, Senior Legislative Advocate
Dan Chick, Senior Legislative Advocate

Re: AB 1302 (Simitian): Vehicles: Traffic Violations: Confidentiality
Senate Appropriations Committee Hearing
PIFIC Position: **Oppose**

The Personal Insurance Federation of California, representing insurers who write nearly 35% of the auto insurance policies sold in California, **opposes AB 1302** by Assembly Member Simitian.

AB 1302 requires the DMV to keep confidential any traffic conviction of an individual that has occurred in another state or the District of Columbia if the person provides proof of successful completion of a course of instruction at a licensed traffic violator school (TVS). The DMV can keep the records confidential only if an individual has:

- Not attended a TVS in any state or other court-supervised program of traffic safety instruction within the past 18 months.
- Does not apply for confidentiality for an offense that, if committed in this state, would be given more than a value of one point or that is an offense for which a court in this state could not permit the person to take traffic safety instruction in lieu of adjudication.
- Applies to the DMV for confidentiality under these provisions, with proof of successful completion of the course of traffic safety instruction, within 90 days of committing the offense.
- Pays a specified fee.

This ability to “mask” driving violations creates distortion and inequities in the rating of automobile insurance. Access to accurate and complete information relevant to insurance risks is essential for effective insurance underwriting. Accurate rating of both residual and voluntary market business is not possible without the information contained in motor vehicle records. Masking of information in motor vehicle records diminishes the value of the records and either directly or indirectly results in increased premium costs to drivers, especially those with good driving records. In effect, masking results in good drivers subsidizing bad drivers who have had their traffic violations concealed through attendance at traffic violator school.

If there was evidence that attendance at traffic violator schools resulted in safer drivers there might be some arguable merit to this system. However, the evidence as documented in previous DMV studies shows that persons who have their records masked through attending traffic violator schools are actually worse drivers, and are more likely to be at fault in a subsequent accidents, and to receive additional citations, than are persons who do not attend traffic school.

Moreover, in California Proposition 103 requires that the number one priority factor in calculating rates shall be the driving records of the insured, as determined by the number of at-fault accidents and traffic citations. A good driver is defined as someone who has not received more than one violation point count against his or her driving record within the previous three years. The current system of allowing drivers to mask traffic violations through attendance at traffic violator schools is inconsistent with the intent of Proposition 103, in that it allows persons who fail to meet the definition of a "good driver" under Proposition 103 to still qualify for a good driver discount by concealing their true driving record. AB 1302 would expand the ability to mask traffic convictions occurring in other areas of the United States. This is inconsistent with the intent of Proposition 103.

For the above stated reasons, PIFC urges your **no vote on AB 1302** when it is heard in committee. If you have any questions regarding our opposition, please feel free to call Michael A. Gunning at (916) 442-6646.

cc: Honorable Joseph Simitian, Author
Ann Richardson, Office of the Governor
Richard Figueroa, Office of the Governor
Senate Appropriations Committee
Mike Genest, Senate Republican Caucus
Senate Floor Analyses