



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 • NAMIC

UPDATED FLOOR ALERT

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Director of Communications

Date: August 25, 2005
To: Members of the California State Senate
From: Dan C. Dunmoyer, President
Rex D. Frazier, Vice President & General Counsel
Michael A. Gunning, Senior Legislative Advocate
Michael A. Paiva, Senior Legislative Advocate
RE: AB 1640 (Saldaña): Insurance Claims Information
Amended August 22, 2005
Senate Floor
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write nearly 50% of all personal lines insurance sold in California, including State Farm, Farmers, Safeco, 21st Century, Progressive, and NAMIC, **supports AB 1640, as amended**, by Assembly Member Saldaña.

AB 1640 increases consumer awareness of how claims information is shared with insurance industry support organizations. AB 1640 requires homeowners insurers to provide customers with this information both before and after a claim.

Specifically, AB 1640 requires each homeowners, when acknowledging receipt of a claim, to notify the claimant that it reports claims history or loss experience to third-party databases, along with information on how the claimant can contact the database.

In addition, AB 1640 requires insurers to add the above disclosure to the "California Residential Property Insurance Bill of Rights" (Insurance Code Section 10103.5 (Alpert, SB 1855 (2004))), which insurers circulate at policy issuance and periodically thereafter to provide insureds with a listing of their rights under a homeowners insurance policy.

As recently amended, AB 1640 empowers insurance customers with valuable information without being an unduly burdensome mandate. As such, AB 1640 represents a reasonable compromise in furtherance of Assembly Member Saldaña's consumer protection efforts.

PIFC greatly appreciates the willingness of the author to refine this bill to the point where PIFC **supports AB 1640 and urges your aye vote**. If you have any questions, please contact Rex D. Frazier at (916) 442-6646.

cc: Assembly Member Lori Saldaña, Author
Maureen Ortiz, Senate Appropriations Committee
Erin Ryan, Senate Banking, Finance and Insurance Committee
Tim Conaghan, Senate Republican Caucus
Cynthia Bryant, Deputy Legislative Secretary for the Governor
Scott Reid, Office of the Insurance Advisor
Senate Floor Analyses

4.AB1640-SF1r2