



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

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Dan Dunmoyer
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Vice President & General Counsel

Michael Gunning
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Senior Legislative Advocate

Jerry Davies
Director of Communications

Date: August 19, 2005

To: The Honorable Carole Migden, Chair
Members, Senate Appropriations Committee

From: Dan C. Dunmoyer, President
Rex D. Frazier, Vice President & General Counsel
Michael A. Gunning, Senior Legislative Advocate
Michael A. Paiva, Senior Legislative Advocate
E. Jerry Davies, Director of Communications

Re: AB 178 (Koretz): California Cigarette Fire Safety and Firefighter Protection Act.

As Amended August 16, 2005

Senate Appropriations Committee Hearing: August 22, 2005

PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write 50% of all homeowners' insurance sold in California, **supports AB 178** authored by Assembly Member Koretz.

According to the National Fire Protection Association (NFPA), cigarettes are the leading cause of fire deaths in the United States each year, claiming 1,000 lives and causing nearly 2,000 injuries and nearly \$400,000,000 in direct property damage. NFPA reports that more than one-third of all cigarette-related fire injuries and deaths occur to persons that do not smoke. Many fires began due to someone abandoning or improperly disposing of a cigarette.

The purpose of AB 178 would establish a fire safe cigarette program in California that mirrors the statutory and regulatory requirements of those in effect in the State of New York. It would prohibit, beginning January 1, 2006, the sale of cigarettes in California that do not meet the standards established by the American Society of Testing and Materials (ASTM) protocol for measuring the ignition strength of cigarettes. It requires the manufacturers to certify that cigarettes meet California's standards and creates new crimes and penalties for violations. The bill would become inoperative should federal cigarette safety standards that are determined to be equivalent or stronger than California's standards become effective.

The State of New York enacted a cigarette fire safety regulation effective June 28, 2004, that requires cigarettes sold in that state to meet a fire safety performance standard. Canada is scheduled to implement the New

York fire safety standard in the fall of 2005. PIFC believes that uniformity is important and would like AB 178 to be clarified to be identical to those regulations already adopted in the State of New York. Further, PIFC believes that to ensure uniformity across all states, federal policy would be best so that we don't end up with 50 different laws dealing with the same issue.

It is the intent of the Legislature to adopt the cigarette fire safety standard that is in effect in New York to reduce the likelihood that cigarettes will cause fires, which result in deaths, injuries, and property damage.

The Personal Insurance Federation of California supports measures aimed at promoting safety and reducing hazards that save lives and property. For the reasons stated, **PIFC supports AB 178 and urges an aye vote.** If you have any questions, please contact Jerry Davies at (916) 442-6646 or via email at jdavies@pifc.org.

cc: Assembly Member Paul Koretz, Author
Cynthia Bryant, Deputy Legislative Secretary to the Governor
John Decker, Senate Appropriations Committee
Mike Peterson, Senate Republican Caucus
Scott Reid, Office of the Insurance Advisor

1.AB178-SenApp8-05