



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

Jerry Davies
Director of Communications

Date: May 27, 2004

To: The Honorable Jackie Speier, Chair
Members, Senate Insurance Committee

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

Re: AB 1985 (Wolk): Insurance Claim Forms
Senate Insurance Committee Hearing: June 2, 2004
PIFC Position: Support As Amended May 3, 2004

The Personal Insurance Federation of California, representing insurers who write approximately 46% of the personal lines insurance sold in California, **supports AB 1985** by Assembly Member Lois Wolk.

AB 1985 would allow insurance companies to comply with certain record retention requirements by maintaining the records in an electronic format. Currently the law requires that certain documents, like auto theft claims forms, must be maintained in their original paper form. Companies literally spend hundreds of thousands of dollars on warehouse space and document retention. Those costs can be dramatically reduced, and the cost savings passed on to customers, with electronic retention.

Most insurers, like other companies are modernizing their operations and moving to electronic storage systems. This change will facilitate increased reliance by insurers on electronic records, which in turn will benefit consumers. The ability to electronically store documents also reduces storage costs and paper consumption. For these reasons, **PIFC supports AB 1985 and urges your yes vote on this measure.** If you have any questions, please contact Diane Colborn at (916) 442-6646.

cc: Assembly Member Wolk, Author
Brian Perkins, Senate Insurance Committee Consultant
Tim Conaghan, Senate Republican Caucus
Senate Floor Analyses
Cynthia Bryant, Office of the Governor
Scott Reid, Office of the Insurance Advisor