



# 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

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Date: June 15, 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  
Michael A. Paiva, Senior Legislative Advocate

Re: AB 2199 (Kehoe): Fire Insurance: Indemnity  
Senate Insurance Committee Hearing: June 16, 2004  
**PIFC Position: Neutral as Proposed to be Amended  
Amendments Requested**

The Personal Insurance Federation of California, representing insurers who write over 45% of the homeowners insurance sold in California, has a **“neutral as proposed to be amended” position on AB 2199** by Assembly Member Kehoe.

AB 2199, among other things, extends the time period for policyholders to complete the reconstruction process following a total loss and receive replacement cost benefits. An urgency clause was added to the bill so that it could take effect immediately. PIFC did not oppose the addition of the urgency clause, however, insurers will need time to reform policy documents and bring them into compliance with the new requirements. For this reason, we have requested, and the sponsors and author have indicated they have no objection to, amendments that would provide that *“Insurance policy forms shall be modified to be consistent with these requirements by no later than July 1, 2005.”*

With the adoption of these amendments as author’s amendments, **PIFC will be neutral on AB 2199**. If you have any questions regarding PIFC’s position or the proposed amendments, please contact Diane Colborn at (916) 442-6646.

cc: Assembly Member Kehoe, 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