



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

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MEMORANDUM

Date: April 19, 2005
To: The Honorable Judy Chu, Chair
Members, Assembly Appropriations Committee
From: Dan C. Dunmoyer, President
Rex Frazier, Vice President and General Counsel
Michael A. Gunning, Senior Legislative Advocate
Michael A. Paiva, Senior Legislative Advocate
RE: AB 544 (Vargas): Insurance Solicitors: Appointment
As Amended April 7, 2005
Assembly Appropriations Committee Hearing: April 20, 2005
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write over 50% of all personal lines insurance sold in California, **supports AB 544** authored by Assembly Member Vargas.

AB 544 would eliminate the provision in current law that prohibits an insurance agent or broker from utilizing the services of a part-time solicitor (i.e. an employee of an agent who is licensed to transact property and casualty insurance). This change will allow agents to operate more efficiently, to offer better customer service, and to promote more full-time job opportunities.

- ◆ **Increased efficiencies.** AB 544 would allow agents to share staff in certain situations, which allows them to operate more efficiently and with lower overhead.
- ◆ **Better customer service.** Under existing law, a customer who visits an office shared by two State Farm agents can only be helped by his or her particular agent's solicitor. If that agent's solicitor happens to be out of the office, the customer has to wait or come back another time. This causes undue delay for customers and serves no real purpose.
- ◆ **Promote full-time job growth.** Many agents don't need a full-time solicitor. Under current law, an employee working part-time for one agent is not allowed to work part-time for another agent. This bill would increase employment opportunities for solicitors by allowing them an opportunity to work full-time by working for two different agents.

For the reasons stated above, **PIFC supports AB 544** by Assembly Member Vargas. If you have any questions, please contact Michael Paiva at (916) 442-6646.

cc: Mary Ader, Assembly Appropriations Committee
Kevin Hanley, Assembly Republican Caucus
Richard Costigan, Legislative Secretary, Office of the Governor
Cynthia Bryant, Deputy Legislative Secretary, Office of the Governor
Scott Reid, Office of the Insurance Advisor