



# Personal Insurance Federation of California

California's Personal Lines Trade Association

REPRESENTING THE LEADING AUTOMOBILE AND HOMEOWNERS INSURERS

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## MEMORANDUM

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Date: June 18, 2004

To: The Honorable Ellen Corbett , Chair  
Members, Assembly Judiciary 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: SB 1492 (Dunn): Confidential Information  
Assembly Judiciary Committee: June 22, 2004  
**PIFC Position: OPPOSE As Amended June 9, 2004**

The Personal Insurance Federation of California, representing insurers who write over 50% of the personal lines insurance sold in California, opposes SB 1492 by Senator Dunn. As amended, SB 1492 would prohibit a business from transmitting any individually identifiable health information to a site outside of the United States without obtaining the prior consent of the consumer at least annually.

While SB 1492 sounds on the surface like a pro-consumer measure, the bill in effect will have a negative impact on consumers by increasing health care costs and health care related insurance costs. SB 1492 is also impractical and unnecessary. Existing state and federal laws already provide stringent protection for health related information. Those laws include the federal Health Information Portability and Accountability Act (HIPAA) and several California statutes and regulations. For instance, Title 10 of the California Code of Regulations, Section 2689.11 already prohibits insurers from disclosing nonpublic personal medical record information about a consumer to affiliated or non-affiliated third parties without the consumer's prior written authorization. SB 1492 would even require prior written consent for the company to process data within a branch of the same company simply because it is located in another country. There is no compelling reason for this requirement.

SB 1492 would have other unintended consequences that could harm consumers. For example, a health insurer or health care provider would be prohibited from giving health information to a European doctor who needed it to provide emergency medical treatment to a California resident traveling in Europe.

For these reasons, **PIFC opposes SB 1492 and urges a no vote on the bill.** If you have any questions, please contact Diane Colborn at (916) 442-6646.

cc: Senator Joseph Dunn, Author  
Saskia Kim, Assembly Judiciary Committee  
Mark Redmond, Assembly Republican Caucus  
Cynthia Bryant, Office of the Governor  
Scott Reid, Office of the Insurance Advisor