

**MEMORANDUM**

STAFF

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& Regulatory Affairs*

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*Senior Legislative Advocate*

Jerry Davies  
*Director of Communications*

**Date:** May 1, 2003

**To:** Honorable Martha Escutia, Chair  
Members of the Senate Judiciary Committee

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

**Re:** SB 515 (Kuehl): Civil Actions  
Senate Judiciary Committee Hearing: May 6, 2003  
**PIFC Position: Oppose**

The Personal Insurance Federation of California, representing insurers who sell nearly 35% of the personal lines insurance in California, including State Farm, Farmers, SAFECO, 21st Century, and Progressive Insurance, **opposes SB 515 (Kuehl)**. SB 515 would take away from businesses a tool currently available for challenging lawsuits designed to chill the exercise of free speech.

SB 515 amends the Anti-SLAPP suit statute enacted in 1992 and authored by then-Senator Bill Lockyer. The statute allows a defendant, who is the target of a lawsuit attacking their exercise of free speech, to bring a special motion for early dismissal of the suit. SB 515 would amend this law to make such motions inapplicable to any case brought against a person engaged in the business of selling or leasing goods or services. The effect of SB 515 is to eliminate the Anti-SLAPP suit motion as a tool for dismissing frivolous or malicious lawsuits which are aimed at intimidating a business from exercising its free speech right. Businesses are frequently the target of lawsuits designed to harass or coerce a business into settling for nuisance value, or to stop a legitimate business activity. There is no good public policy reason why business defendants should be excluded from utilizing the Anti-SLAPP suit statute to dismiss unmeritorious lawsuits rather than being coerced into settling or incurring unnecessary litigation costs simply for exercising their constitutional rights.

Several court cases are currently pending before the California Supreme Court that will clarify issues that have arisen in interpreting the Anti-SLAPP suit law. Those cases were granted review last year by the court and decisions by the court can be anticipated in the near future. We urge the Legislature to await those decisions before making any changes to the law.

For all these reasons, **PIFC opposes SB 515 and urges a no vote**. If you have any questions, please contact Diane Colborn at (916) 442-6646.

cc: Senator Kuehl, Author  
Ann Richardson, Deputy Legislative Secretary, Governor's Office  
Senate Judiciary Committee  
Mike Petersen, Senate Republican Caucus  
Senate Floor Analyses