



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

Dan Chick
Senior Legislative Advocate

Jerry Davies
Director of Communications

Date: June 26, 2003

To: The Honorable John Dutra, Chair
Members, Assembly Transportation Committee

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

Re: SB 60 (Cedillo): Vehicles: Social Security Number: Driver's Licenses:
Identification Cards.
Assembly Transportation Committee Hearing – June 30, 2003
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write nearly 35% of all personal lines insurance sold in California, including State Farm, Farmers, SAFECO, 21st Century Insurance Group and Progressive Insurance Company, **supports SB 60** authored by Senator Gilbert Cedillo.

SB 60 would allow an applicant for a driver's license, who does not possess a Social Security number to submit either a federal taxpayer identification number, or other identifier or number that is deemed appropriate by the Department of Motor Vehicles (DMV) in lieu of a Social Security number. These documents would be acceptable until the applicant obtains a social security account number and provides that number to the DMV. This bill also repeals the existing law, which requires every applicant for an original driver's license or I.D. card to submit satisfactory proof to the DMV that the applicant's presence in the United States is authorized under federal law and prohibits the DMV from issuing a license or card to a person who does not do so.

California has become a diverse racial and ethnic society through its influx of immigrants. The Census Bureau states that in the United States nearly 3 in 4 Latinos live in California and reports that California has reached a population so diverse that no one ethnic or racial group commands a majority. Future predictions conclude that by the year 2005, Latinos will be the clear majority ethnic group in California. In fact, the Census Bureau recently announced that the Hispanic ethnic group had definitively passed African-Americans to become America's largest minority group.

California issues driving licenses to ensure that drivers have a demonstrated basic understanding and necessary competence of the rules of the road, both for their safety and for the safety of other drivers. For 65 years until 1994, California licensed all drivers that met these requirements without regard to immigration status. There are three reasons to return the DMV to its original mandate of licensing all drivers:

- 1) **Public Safety.** Everyday millions of drivers are placed in jeopardy because of unlicensed, untested, and uninsured motorists. Licensed drivers must have confidence that all persons that share the roadways understand California's driving rules.
- 2) **Insurance Consequences.** Since Californians cannot purchase auto insurance without a driver's license, many residents drive without insurance. This contributes to the fact that in parts of Orange County, the uninsured motorist rate is as high as 67%. Furthermore, parts of Los Angeles County have an uninsured motorist rate as high as 75%.
- 3) **Residence Issues.** Californians have the right to know who is living and driving in the state. SB 60, by expanding the number of licensed drivers and thereby establishing a paper trail, will actually help in the fight against terrorism by bringing millions of unlicensed drivers out of secrecy and significantly reducing the number of individuals anonymously living here.

The current state of immigrant affairs in California is confusing at best. California allows some illegal immigrants to attend colleges at in-state tuition rates, enroll in public schools in huge numbers, and receive emergency-health services and prenatal care, but will not allow them to obtain driver's licenses -- even though driving without a license and vehicle insurance, poses a clear threat to public safety.

A study by the Rand Corporation in the Center for Research and Immigration Policy in collaboration with the Forces and Resources Policy Center of the National Defense Research Institution, a federally funded research and development center sponsored by the Office of the Secretary of Defense, the Joint Staff and defense agencies, found that California's economy benefits greatly from immigration. The study notes that 3 million plus immigrants came to California in the 1990's and those that have stayed have joined the work force in a variety of jobs in agriculture, the hotel and restaurant industry, construction, manufacturing and other industries located throughout the state. They are proven reliable and responsible workers and are essential if California's economy is to thrive. Today, immigrants constitute approximately 50 percent of California's residents and labor force. ¹

For almost five years, Senator Cedillo has been pushing this type of legislation that would grant driver's licenses to about half of the estimated 2 million illegal immigrants who are ineligible to legally drive. Supporters of this bill include unlikely allies: the state's largest auto insurance association, the Personal Insurance Federation of California, the United Farm Workers, the International Chamber of Commerce, The Insurance Agents & Brokers Legislative Council, the City of San Jose, and the California Teachers Association. These groups have joined together because **SB 60**, if enacted, would allow immigrants to obtain a drivers' license.

For these reasons, PIFC **supports SB 60 and urges an aye vote** on the bill. Thank you for consideration of our views. If you have any questions regarding PIFC's position, please do not hesitate to contact Michael A. Gunning at 916-442-6646.

cc: The Honorable Gill Cedillo, Author
Ann Richardson, Office of the Governor
Richard Figueroa, Office of the Governor
Howard Posner, Assembly Transportation Committee
Cory Salzillo, Assembly Republican Caucus

¹ Kevin F. McCarthy and George Vernez, "Immigration In a Changing Economy: California's Experience," Rand Corporation.