

PERSONAL INSURANCE FEDERATION OF CALIFORNIA
980 Ninth Street #2030
Sacramento, CA 95814
Phone: 916-442-6646

Fax: 916-446-9548
Contact: Jerry Davies
E-mail: jdavies@pifc.o

**PIFC OPPOSES AB 1191—A REDUNDANT BILL THAT WOULD
ADD COST TO HOMEOWNERS INSURANCE POLICIES
STATEWIDE**

SACRAMENTO, CA. (April 29, 2003) – Duplication of existing law and additional exorbitant costs to homeowners in California are two of the main reasons the Personal Insurance Federation of California **opposes AB 1191** by Assemblymember Patricia Wiggins.

AB 1191, as amended, requires an insurer to inform an insured of:

- the nonrenewal of a policy or any increase or decrease in an annual premium as compared to the previous year;
- the reasons for the premium change or nonrenewal; and
- the telephone numbers where the insured may register complaints.

“Although this is a laudable goal, this bill is duplicative of existing law and would create an undue financial burden on California consumers and the insurance industry,” noted Diane Colborn, vice president of legislative and regulatory affairs for PIFC.

“Current law already requires insurers to send renewal notices and nonrenewal notices, and to inform the policyholder in writing that by written request they can obtain the reasons for a nonrenewal. An insurer then has 20 days after receiving such a request to provide the reasons in writing why a policy is being nonrenewed,” she added.

“Requiring insurers to explain the reasons for every change in premium, expressed on an annual basis, and a comparison with the premium charged in the previous year, would be cost prohibitive. Notwithstanding the fact that the sheer magnitude of forcing insurers to reprogram their computer systems to handle these calculations would easily run into the millions of dollars per year,” Colborn said.

“This added cost is entirely unnecessary, since the policyholder can already obtain this information *upon request* simply by calling their agent. The typical renewal offer already includes the agent’s name and number, and encourages the policyholder to contact their agent if they have questions” Colborn concluded.