



July 17, 2009

Honorable Mary Hayashi
State Capitol, Room 3013
Sacramento, CA 95814

RE: AB 1200 (Hayashi)

Dear Assembly Member Hayashi:

We write on behalf of the nonprofit, nonpartisan Consumer Watchdog, with a request that you amend AB 1200, which undoes key protections of the 2003 law prohibiting insurance companies from steering customers to insurer-controlled auto repair shops.

We previously wrote to you on June 17, 2009, with a request to amend AB1200 to add specific language clarifying that the bill did not intend to permit steering. Instead, the bill was amended in such a way that effectively guts the prohibition on steering and now allows insurers to “hard sell” a policyholder on the insurer-controlled repair shop, *even after the policyholder chooses an independent repair shop.*

In order to preserve the important consumer protections enacted in 2003 (SB 551-Speier), we urge you to remove the proposed amendments to §758.5(c), which would allow companies to “push back” on a policyholder after he or she has chosen a repair shop. We also urge you to delete the second sentence of proposed (b)(2), which, as currently drafted, authorizes the exact type of pressure tactics the 2003 law sought to prohibit. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Heller".

Douglas Heller, Executive Director

A handwritten signature in black ink, appearing to read "T. Foreman".

Todd Foreman, Staff Attorney

Cc: Honorable Darrell Steinberg, Senate President Pro Tempore
Honorable Ronald Calderon, Chair, Senate Banking, Finance and Insurance Committee
Honorable Jose Solorio, Chair, Assembly Committee on Insurance