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May 1, 2013

The Honorable Noreen Evans, Chair
Senate Judiciary Committee
State Capitol, Room 2187
Sacramento, CA 95814

RE: SB 713 (Correa) - OPPOSE

Dear Senator Evans,

United Policyholders joins our consumer advocate colleagues in strongly opposing SB 713 (Correa).

Our particular concern is that if this measure were to become law, insurance companies would no doubt pounce on it to defeat consumer claims related to unfair policy language – claiming the language had been approved by the California Department of Insurance, (CDI) when in fact all the agency did was permit the sale of the policy.

Although the resources of California's DOI are head and shoulders above other states, the agency has many competing demands on its limited staff. The DOI prioritizes policing rates and solvency. It does not have enough staff to carefully review every word in every policy sold, it relies on insurers' assurances of fairness, and when a wording dispute arises – Californians can turn to our courts to resolve it. Courts review policy language and apply case law and logic to resolve the dispute. If this bill were to become law, insurers would gain an unfair advantage over consumers, as would many other industries.

United Policyholders, ("UP") is a non-profit 501(c) (3) organization founded in 1991 that is a voice and an information resource for insurance consumers in all 50 states. UP's work is funded by donations and grants from individuals, businesses and foundations. UP participates in the proceedings of the National Association of Insurance Commissioners as an official representative of consumer interests.

We strongly urge you to vote "no" on SB 713.

Sincerely,

Amy Bach, Executive Director

cc: The Honorable Members of the Senate Judiciary Committee

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