

Honorable Senator Mike Machado
Chair, Senate Banking, Finance & Insurance
State Capitol, Room 407
Sacramento, CA 95814

June 9, 2008

Re: AB 1051 (Calderon) – OPPOSE

Dear Senator Machado:

United Policyholders opposes AB 1051 (Calderon), because it would eliminate crucial consumer protections of Proposition 103. The bill would dismantle the voter approved system of insurance rate oversight that was established by Proposition 103 and prevent refunds when insurers illegally overcharge customers. It will result in higher insurance rates for auto, homeowner and business insurance policyholders in California.

According to a recent report by the Consumer Federation of America, California drivers saved \$62 billion on their auto insurance premiums since 1989 because of to Proposition 103's strong rate regulation. AB 1051 would strip away key aspects of the rate regulation that delivered those savings to California consumers.

We urge you to preserve the voter-approved protections against unfair and excessive insurance rates in Proposition 103 by rejecting AB 1051.

Sincerely,

Amy Bach
Executive Director