



CENTER FOR PUBLIC INTEREST LAW  
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July 20, 2020

The Honorable Tom Daly, Chair  
Assembly Insurance Committee  
State Capitol Building, Room 3120  
Sacramento, CA 95814

**RE: ASSEMBLY BILL 2167 (DALY) – OPPOSE**

Dear Assemblymember Daly,

The Center for Public Interest Law (CPIL) is a nonprofit, nonpartisan, academic center of research, teaching, learning and advocacy in regulatory and public interest law based at the University of San Diego School of Law. CPIL respectfully opposes AB 2167, a bill that would completely undermine the important consumer protections embedded in Proposition 103, which was enacted by California voters in 1988 and significantly overhauled insurance rate regulation in this state. Although Proposition 103 competed with four other insurance-related initiatives on the 1988 ballot and its sponsor was outspent by millions of dollars expended to defeat it, voters rejected the other four and approved only Proposition 103. CPIL is very familiar with this initiative, having assisted its sponsor and then-Attorney General John Van de Kamp in successfully defending its constitutionality in litigation brought by the insurance industry.

AB 2167 creates an avenue by which massive increases in homeowners' insurance premiums can be adopted outside of the procedures established in Proposition 103. Many homeowners in high-risk areas are already spending heavily to harden their homes and protect their communities. They do not need the further burden of massively increased insurance costs beyond the already considerable rise in those premiums.

AB 2167 is profoundly anti-consumer legislation that would directly lead to billions of dollars in fast-tracked rate hikes to California consumers and policyholders at the hands of the insurance industry. The bill would do so without adequate scrutiny and in a manner wholly inconsistent with Proposition 103.

The initiative itself states that “[t]he provisions of this act shall not be amended by the Legislature except to *further its purposes*... (emphasis added). The Legislative Counsel’s Digest of AB 2167 recognizes that “[b]y providing for an expedited review and approval of residential property insurance rates, the bill would amend Proposition 103....” As such, the bill must “further the purposes” of Proposition 103, and it clearly does not.

Consumers in all parts of California deserve fair insurance rates and transparency. AB 2167 delivers neither. For these reasons, we must oppose AB 2167. Please feel free to email me at the address below if you have any questions or would like to discuss our opposition.

Sincerely,

A handwritten signature in black ink that reads "Robert C. Fellmeth". The signature is written in a cursive, flowing style.

Robert Fellmeth, Professor of Law  
Price Chair in Public Interest Law  
Executive Director, Center for Public Interest Law  
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