

“Insurance companies have actually fared well under the regulatory reforms that save California drivers hundreds of dollars every year, but the industry reflexively resists accountability and oversight, even as it welcomes the unending stream of customer premiums that mandatory auto insurance brings. Policymakers and the public would be best served by focusing on the data and the facts and rejecting the insurance industry’s rapid-fire responses to every analysis that does not confirm its viewpoint,” said Hunter.

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Appendix 1

KEY STATE LAWS AGAINST INSURANCE FRAUD

(As of September 2013)

State	Insurance fraud classified as a crime	Immunity statutes	Fraud bureau	Mandatory insurer fraud plan	Mandatory auto photo inspection
Alabama	X (1), (2)	X (3)			
Alaska	X	X	X		
Arizona	X	X	X		
Arkansas	X	X	X	X	
California	X	X	X	X	
Colorado	X	X	X (4)	X	
Connecticut	X	X	X (1), (5)		
Delaware	X	X	X		
D.C.	X	X	X (6)	X	
Florida	X	X	X	X	X
Georgia	X	X	X		
Hawaii	X (1), (2)	X	X		
Idaho	X	X	X		
Illinois	X	X	X (1)		
Indiana	X	X			
Iowa	X	X	X		
Kansas	X	X	X	X	
Kentucky	X	X	X	X	
Louisiana	X	X	X	X	
Maine	X	X	X (1)	X	
Maryland	X	X	X	X	
Massachusetts	X	X	X		X
Michigan	X	X			
Minnesota	X	X	X	X	
Mississippi	X	X (3)	X (5)		
Missouri	X	X	X		

Montana	X	X	X		
Nebraska	X	X	X		
Nevada	X	X	X (5)		
New Hampshire	X	X	X	X	
New Jersey	X	X	X (5)	X	X
New Mexico	X	X	X	X	
New York	X	X	X	X	X
North Carolina	X	X	X		
North Dakota	X	X	X		
Ohio	X	X	X	X	
Oklahoma	X	X	X		
Oregon	X (1)	X			
Pennsylvania	X	X	X (5)	X	
Rhode Island	X	X (1), (3), (7)	X (5), (8)	X	X
South Carolina	X	X	X (5)		
South Dakota	X	X	X (5)		
Tennessee	X	X		X	
Texas	X	X	X	X	
Utah	X	X	X		
Vermont	X	X		X	
Virginia	X	X	X (8)		
Washington	X	X	X	X	
West Virginia	X	X	X		
Wisconsin	X	X	X (5)		
Wyoming	X	X (3)			

(1) Workers compensation insurance only.

No fraud bureau. Industry assessment payable to the Insurance Fraud Cash Fund. Attorney General's office conducts fraud prosecution. (5) Fraud bureau set up in the State Attorney General's office.

Consumer Protection Bureau in the Department of Insurance, Securities and Banking which investigates fraud in all three financial sectors. (6) In the District of Columbia. (7) Auto insurance fraud bureau set up in the state police office.

(2) Healthcare

(6) In the District of Columbia

(7) Auto insurance

Source: Property Casualty Insurers Association of America; Coalition Against Insurance Fraud.

Appendix 2

STATE LAWS CURBING DRUNK DRIVING*(As of October 2013)*

State				Mandatory ignition interlocks (1)			
	License revocation		Open container law (4)	First offenders			Repeat offenders
	Admin. License rev./ susp. (2)	Mandatory 90-day license rev./ susp. (3)		All offenders	All	High-BAC offenders only (5)	
Alabama	X	X	X			X	X
Alaska	X	X	X	X	X		X
Arizona	X	X	X	X	X		X
Arkansas	X	X		X	X		X
California	X	X	X	in 4 counties	in 4 counties		X
Colorado	X	X	X	X	X		X
Connecticut	X	X		X	X		X
Delaware	X	X				X	X
D.C.	X		X				
Florida	X	X	X			X	X
Georgia	X	X	X				X
Hawaii	X	X	X	X	X		X
Idaho	X	X	X				X
Illinois	X	X	X	X	X		X
Indiana	X	X	X				
Iowa	X	X	X				
Kansas	X		X	X	X		X
Kentucky			X				X
Louisiana	X	X	X	X	X		X
Maine	X	X	X	X*	X*		X*
Maryland	X		X			X	X
Massachusetts	X	X	X				X
Michigan			X			X	X
Minnesota	X	X	X	X	X		X
Mississippi	X	X					X**
Missouri	X			X	X		X
Montana			X				X
Nebraska	X	X	X	X	X		X
Nevada	X	X	X			X	
New	X	X	X			X	X

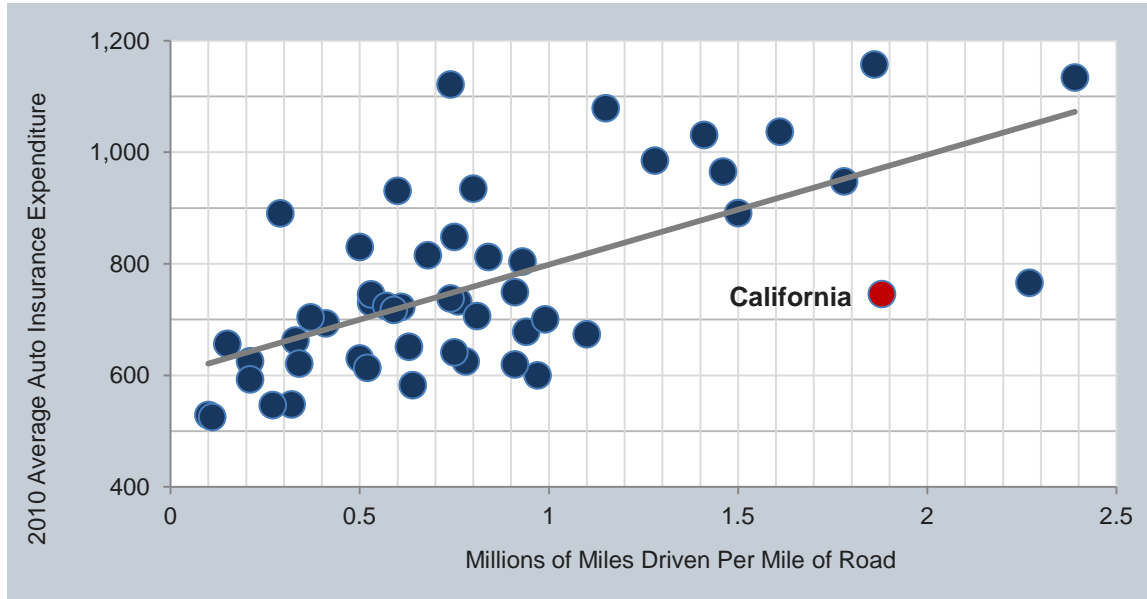
Hampshire							
New Jersey			X			X	X
New Mexico	X	X	X	X	X		X
New York	(6)		X	X	X		X
North Carolina	X		X			X	X
North Dakota	X	X	X				
Ohio	X	X	X				
Oklahoma	X	X	X			X	X
Oregon	X	X	X	X	X		X
Pennsylvania			X				X
Rhode Island			X				
South Carolina			X				X
South Dakota			X				
Tennessee			X			X	
Texas	X	X	X			X	X
Utah	X	X	X	X	X		X
Vermont	X	X	X	X	X		X
Virginia	X		X	X	X		X
Washington	X	X	X	X	X		X
West Virginia	X	X	X	X	X		X
Wisconsin	X	X	X			X	X
Wyoming	X	X	X			X	X

(1) Ignition interlock devices analyze a driver's breath for alcohol and disable the ignition if a driver has been drinking. States identified mandate the devices on offenders' vehicles. ~~(2) States~~ mandate driver's license suspension or revocation if BAC is over the legal limit or the driver refuses to take a BAC test. (3) Mandatory of the implied consent law, which means that drivers who refuse to take a breath alcohol test when stopped or arrested for drunk driving will have their license revoked or suspended. (4) Prohibits unsealed compartments for all occupants. Arresting officer not required to witness consumption. (5) Usually 0.15 percent BAC or suspension lasts until prosecution is complete. (6) Administrative *Effective 12/1/13 BAC=Blood alcohol

Highway Safety; Property Casualty Insurers Association of America.

Appendix 3

CALIFORNIA INSURANCE EXPENDITURES ARE MUCH LOWER THAN TRAFFIC DENSITY PREDICTS



Source: Consumer Federation of America (2013). What Works: A Review of Auto Insurance Rate Regulation in America and How Best Practices Save Billions of Dollars.

Note, traffic density data source: Federal Highway Administration

Appendix 4.

AVERAGE TRAFFIC DENSITY AND EXPENDITURE BY REGULATORY SYSTEM

	Average Density	Average Expend
FLEX	0.54	\$784
DEREG	0.55	\$677
U&F	0.63	\$655
F&U	0.84	\$785
PA	1.01	\$801