DEBRA BOWEN
CALIFORNIA SECRETARY OF STATE
NEWS RELEASE

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Auto Insurance Initiative Enters Circulation

Changes Law to Allow Auto Insurance Companies to Set Prices Based on a Driver's History of Insurance Coverage. Initiative Statute.

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

> **CHANGES LAW TO ALLOW AUTO INSURANCE COMPANIES TO SET PRICES BASED ON A DRIVER'S HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE.** Changes current law to permit insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company. Allows insurance companies to give proportional discounts to drivers with some prior insurance coverage. Will allow insurance companies to increase cost of insurance to drivers who have not maintained continuous coverage. Treats drivers with lapse as continuously covered if lapse is due to military service or loss of employment, or if lapse is less than 90 days. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Probably no significant fiscal effect on state insurance premium tax revenues.** (11-0013.)

The Secretary of State's tracking number for this measure is 1495 and the Attorney General's tracking number is 11-0013.

The proponent for this measure, Mike D'Arelli, must collect signatures of 504,760 registered voters – the number equal to five percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by January 9, 2012.

The initiative proponent can be reached at (916) 283-9473.

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