
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 1107 (Dodd) - Vehicles: insurance

Version: April 21, 2022

Urgency: No

Hearing Date: May 19, 2022

Policy Vote: INS. 8 - 3

Mandate: Yes

Consultant: Janelle Miyashiro

Bill Summary: SB 1107 requires the Insurance Commissioner to undertake two studies on the impact on rate, policy cost, and consumer take up of uninsured motorist and underinsured motorist policies in specified situations, and increases the minimum amount of liability insurance coverage an owner or operator of a motor vehicle is required to maintain, as specified.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on May 19, 2022

Fiscal Impact: The California Department of Insurance (CDI) anticipates costs of approximately:

- \$15,000 in Fiscal Year (FY) 2022-23;
- \$252,000 in FY 2023-24;
- \$23,000 in FY 2024-25;
- \$227,000 in FY 2034-35; and
- \$217,000 in FY 2044-45 (Insurance Fund).

These costs include staff time to review and approve insurer rate filings resulting from the increase in financial responsibility limits in FY 2023-24 and every 10 years thereafter through FY 2044-45, update insurer reporting requirements to reflect the increase in financial responsibility limits, and review corresponding regulations.

The CDI also anticipates costs of approximately \$130,000 in FY 2022-23 and \$220,000 in FY 2023-24 to conduct and complete the two required studies.

Author Amendments: Narrow the scope of the motorist coverage studies by striking the provisions related to studying the elimination of the “anti-stacking” provisions and the potential impact of a written disclosure explaining the purpose of uninsured and underinsured motorist coverage. Author amendments also make other technical changes.

Committee Amendments: Make the bill contingent upon the enactment of SB 1155 (Caballero, 2022).

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