



Update from CAOC
Nancy Peverini
CAOC LEGISLATIVE DIRECTOR



Lea-Ann Tratten
CAOC POLITICAL DIRECTOR

On raising the financial responsibility minimum for auto liability insurance

ALSO: A LOOK AT OUR WINS ON THE JUNE PRIMARY BALLOT

We are one step closer to increasing California's outdated financial responsibility laws, as our CAOC-sponsored Senate Bill 1107 (Dodd) has been passed by the state Senate and, as this was written, is working its way through the Assembly. We anticipate this negotiated bill should get to Gov. Newsom for signature this year.

Acknowledging political challenges with the Assembly Insurance Committee, CAOC engaged in serious negotiations with the main insurance organization, the Personal Insurance Federation of California (PIFC). The final negotiated product contains the following key provisions:

- New mandatory minimum insurance limits of \$30,000, \$60,000 and \$15,000 (respectively), effective January 1, 2025 (the delayed effective date is necessary for the insurers to apply for and receive rate increases at the Department of Insurance).
- A further increase to \$50,000, \$100,000 and \$25,000 (respectively), effective January 1, 2035. This increase will put California in the highest level of mandatory financial responsibility limits in the United States.

In return, we agreed to a new statutory structure on pre-litigation time-limited demands. The language was the product of discussions with attorneys representing PIFC and our key committee members and insurance experts. Under the proposed statute, time-limited demands must be clearly identified and remain open for 30 days from date of transmission, or 33 days if mailed. They will need to include the claim number, if known, date of loss and other basic information that largely reflects current practice. The amendments reflecting the agreement with the insurers are in Senate Bill 1155 (Caballero).

SB 1107 will mark the first increase in California's auto insurance liability minimums since they were enacted in 1967. This has long been a priority for CAOC's advocacy team and is a significant achievement for your clients.

Looking at results of the June primary election

CAOC-endorsed candidates did very

well in California's June primary election: 100% of the constitutional officers supported by CAOC will move on to the November election, as will 86% of the legislative candidates we supported and 100% of the incumbents we supported. Most of these races are all but determined after the primary. A Democrat facing a Republican in a district that is made up of overwhelmingly Democratic voters is all but ensured to be elected to the legislature in November.

But California's top-two primary system leaves many with interparty fights in November. Imagine a U.S. Senate race with Joe Manchin running against Alex Padilla. Both Democrats. Vastly different values systems and vastly different attitudes on civil justice. That is how many of the November legislative races are shaping up.

Additionally, most legislators are not lawyers. We need to elect more legislators who understand the complexities of civil litigation and who can champion those issues.

Here are a few of the Southern California contests to watch moving into November (our endorsed candidates are in bold):

- Environmental attorney **Rick Chavez Zbur** had a healthy advantage over a fellow Democrat in AD 51 (Santa Monica), the seat left vacant by retiring Assemblymember Richard Bloom.
- **Lola Smallwood Cuevas**, a worker rights professor at UCLA, had a commanding advantage over her Democrat rival in the Senate seat left vacant by Senator Sydney Kamlager (SD 28).
- Trial lawyer **Christy Holstege**, former mayor of Palm Springs won nearly 50% of the vote in her former Republican desert district (AD 47).
- In AD 40, nurse **Pilar Schiavo** overcame blistering attacks from both Republicans and Democrats to now face incumbent Republican Suzanne Vallerderes in November.
- Encinitas mayor and attorney **Catherine Blakespear** will face a Republican in a district with a Democratic

registration advantage in northern San Diego (SD 38).

The primary also saw two special elections to fill the remainder of a vacated term, with the same candidates also on the ballot in the primary for the term that begins next year.

- Los Angeles progressive leader **Tina McKinnor** will head to Sacramento to fill the remainder of Autumn Burke's term in AD 62. Tina will have to run to hold this seat in November against a corporate-backed Democrat.

- In the San Diego special election to replace Lorena Gonzalez in AD 80, outside spending topped \$3.7 million. Big Oil and Big Tobacco-backed candidate David Alvarez narrowly defeated **Georgette Gomez** to head to Sacramento, but Georgette placed first in the primary for the term that begins next year and will face Alvarez again in November. This race serves as a powerful reminder that we must be fully prepared to defend the candidates who will protect consumer access to our courts with our own independent messaging to voters and strong direct campaign support.

As you may have heard, voter apathy seems to have been a real issue in this primary. Some explain the abysmal turnout on the lack of an exciting top of ticket race for governor. That is surely part of the problem. Perhaps we are also seeing a sense of futility. Our polling on the proposed attorney fee cap initiative suggested that voters are distrustful of institutions and seemingly at the point where they do not have a sense that institutions will improve conditions.

CAOC is dedicated to working where we believe we can influence the outcome and elect people who will serve the people of California, not the corporations who want to escape accountability. As an organization that works hard to elect legislators who are strong defenders of the civil justice system, we constantly fight to raise awareness about the importance of these down-ticket races where success can be more tangible. Candidates who are not afraid to take on corporations and who want to represent people, not the powerful, will be those who will fight for your clients' rights and who will be dedicated to protecting workers and the environment.