



## Update from CAOC

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# CAOC 2020 Legislative Package

A LOOK AT THE ISSUES CAOC WILL ADDRESS IN SACRAMENTO THIS YEAR

## SACRAMENTO UPDATE

So, what do court reporters, e-scooters, secrecy agreements, Amazon, minimum auto insurance limits and liens all have in common? They're all CAOC-sponsored legislation and priority issues for 2020. Here is a shout out to some of the issues we will be working on this year.

**Modernizing financial responsibility limits (AB 3311 Grayson):** California lawmakers took steps half a century ago to mandate minimum auto insurance coverage that protects innocent victims injured or killed by negligent, underinsured drivers. Approved in 1967, California's minimum auto insurance requirements were set at \$15,000 for a single injury or death; \$30,000 for injury to, or death of, more than one person; and \$5,000 for property damage, in any one collision. Those minimums haven't changed in 53 years.

In 1967, the average price of a brand-new vehicle was \$2,750 and the annual cost of an individual's healthcare was just over \$250. Today, the average new vehicle sells for more than \$37,000 and the annual cost for health care has risen to over \$11,000 per person. One report shows that the average bodily injury claim after a car accident is \$16,141. After inflation, the 1967 minimum requirements today would be \$117,000/\$234,000/\$39,000. CAOC's AB 3311 will increase the minimum limits to 60/30/25 and includes a cost of living adjustment provision.

**Prohibiting secrecy agreements that keep information about public hazards from the public (SB 1135**

**Hertzberg):** Cases need to be settled, but information that kills or harms others should not be hidden from the public. Striking a balance between protecting certain aspects of litigant privacy and encouraging settlements of conflicts, on the one hand, and ensuring disclosure of evidence of dangers and harms vital to public safety on the other, is vital to protecting public health and safety.

Yet increasingly in California and courts across the country, secrecy has too often become the norm rather than the exception, sometimes with deadly consequences. An investigation by Reuters found that judges sealed evidence relevant to public health and safety in about half of the 115 largest product-defect cases over the past 20 years. Non-disclosure orders kept sealed 32,000 FDA complaints regarding the Essure medical birth control device, which was linked to chronic bleeding, miscarriages and death for women who used these devices before they were taken off the market.

Secrecy agreements and protective orders that prohibit public disclosure of defective products or dangerous environmental hazards are against the public interest and should be prohibited.

**Holding online marketplaces to the same legal standard as the corner store (AB 3262 Stone):** AB 3262 will address the online marketplace product liability gap to ensure that online market facilitators like Amazon cannot dodge legal liability.

In the brick-and-mortar world, longstanding product liability principles ensure that when a product that injures a consumer flows through multiple businesses, the injured consumer is not charged with the impossible task of identifying which among the businesses should be held accountable and pay compensation to the victim. Instead, through application of strict product liability law, any one of the businesses can be liable and it is up to them, between them, to apportion the responsibility. The same rules do not apply to online marketplaces, and the applicability of these principles needs updating and clarification.

**E-Scooter regulation and prohibitions on waivers of liability (AB 1286 Muratsuchi):** Did you know that when you rent an e-scooter and "click and accept" the terms that you are agreeing to an 18,000-word contract that limits all liability to one hundred dollars? AB 1286, now in the Senate, will compel adequate insurance and prohibit arbitrary liability waivers.

**Health insurer reimbursement from an insured's UM/UIM policy:** Our members are reporting the increased practice of health insurers attempting to assert lien rights on uninsured and underinsured motorist policies, a practice that may be in violation of current law. CAOC has formed a subcommittee to address the issue as we seek a resolution.

**Court reporters (SB 1146 Umberg):** SB 1146 is CAOC's vehicle to address a variety of issues that our members have brought to us, including issues surrounding the "Southern California Stipulation" and other issues. CAOC has formed a subcommittee to look at these issues and welcomes input.

**Civil procedure/medical records (AB 2723 and AB 3117):** There are a number of issues that we would like to address this year, so we have two bills in as we continue discussion with our members about priority levels and solutions.

## Justice Day

As always, thank you for your support of CAOC's legislative program and make sure to attend Justice Day on April 28 to lobby your legislator on these important issues. Please check our website for updates on the Justice Day program.

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