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Property Casualty Insurers
Association of America
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News Release

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FOR RELEASE ON RECEIPT

ACIC Creates Web Site to Track Local Government's Auto Crash Taxes

SACRAMENTO, Calif. – Californians now have a new Web site for obtaining the updated information on the growing local government trend of imposing an unfair crash tax on drivers when emergency vehicles are sent to the scene of accidents, reports Sam Sorich, president of the Association of California Insurance Companies.

The site, <http://www.calcrashtax.com/>, provides visitors with an overview of the problem, the latest media reports and a Q&A section. Most importantly, the site contains special tools that allow Californians to fight back by communicating directly with local, state and federal officials – as well as newspapers in their communities.

Visitors can also sign up for periodic updates on crash tax developments.

“It’s unfortunate that local governments, like many of us, are adversely affected by the deep recession. But it is unfair and unwise for local governments to victimize motorists in accidents twice by taxing them for sending emergency vehicles. This is a basic service of government and motorists shouldn’t have to pay twice for it,” said Sorich.

This accident tax scheme is not only occurring California, it also is growing in a number of other states. In fact it has become so onerous that nine states have banned local governments from imposing crash taxes. These states are Arkansas, Georgia, Indiana, Louisiana, Missouri, Pennsylvania, Tennessee, Oklahoma and Florida.

Prompting the ban is concern that the local programs often result in double taxation since residents are already paying property taxes for such services. And for non-residents, it’s taxation without representation since they have no say in the ordinances imposing the crash taxes.

In every respect, it is simply unfair to tax accident victims. It’s true that in some cases, a victim’s auto insurer will pay the tax. But not all auto insurance policies cover the tax. In those cases, the driver could be on the hook for the tax, which can run into thousands of dollars.

And if the trend continues, the tax could begin to affect the cost of insurance, ultimately driving up premiums.

As the San Diego Union Tribune put it recently in an editorial, “Tacking on fees for those (emergency) responses is ludicrous public policy.”

The Association of California Insurance Companies (ACIC) is an affiliate of the Property Casualty Insurers Association of America (PCI) and represents more than 300 property/casualty insurance companies doing business in California. ACIC member companies write 41.8 percent of the property/casualty insurance in California, including 57.3 percent of personal auto insurance, 45.7 percent of commercial automobile insurance, 40 percent of homeowners insurance, 32.5 percent of business insurance and 43.4 percent of the private workers compensation insurance. PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association.

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