

From: Mark Capron
Sent: Saturday, July 25, 2009 2:39 PM
To: comment, cotce
Cc: Mike Bullock

Subject: Non-tax for steady \$20 billion income in a few years

Dear Commission,

The California Legislative Analyst and the Insurance Commission are aware that the \$50 billion/year Californian's pay for vehicle insurance will be dropping. It is dropping because accidents per vehicle mile and vehicle-miles are decreasing. (Although decreasing vehicle-miles is a California energy goal, it is currently bucking the human desire for ever more convenience.)

Reducing accidents, death, injury, and property losses, improves public safety and transportation service, two services for which Government exists.

Here's the non-tax - Set a baseline year of vehicle insurance expense, say 2008 and \$50 billion. California gets to keep, for general purpose budget, half of whatever California can save its citizens. If California reduces the total insurance bill to \$40 billion, California gets to keep \$5 billion. Citizens will have spent \$10 billion less on vehicle insurance and rewarded California with \$5 billion of their savings.

Notice how this law aligns with many goals. If California reduces vehicle-miles, California is rewarded. If California does not reduce accidents per vehicle mile, California is not rewarded. This provides California with incentive and reward to innovate. California is paid for results not for effort. For example: California might deploy a lot of buses at tremendous expense, but if no one rides, California is not rewarded. It would be wiser to spend 1% of the bus money to see how people take to smart-phone ridesharing (a decentralized networking form of public transit). Because of the low expense and rapid availability (as fast as a tweet), smart-phone ridesharing has the potential to drop vehicle miles by 10% in 2010. That equates to \$5 billion saved and a \$2.5 billion reward for California.

The really big savings come from California's incentive to encourage zero-crash and zero-congestion cars. Larry Burns' engineers at General Motors have had the technology for super-polite cars figured out in 2005. (Their version is based on On-Star.) California could cause this technology to appear a decade faster. Accidents per vehicle mile would drop to near zero. California receives a steady reward of \$25 billion per year. My wife would not have been rear-ended last week. Someone you knew would still be alive and well.

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