



OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Assembly

I am returning Assembly Bill 2892 without my signature.

This bill would change the criteria for obtaining a self-insurance certificate by allowing fleet owners of 25 or more vehicles to self-insure if they have an audited financial statement of their net worth, or provide a cash deposit or surety bond, while still requiring an insurance policy covering at least 50 percent of the legally required minimum insurance amount. Additionally, the bill requires the Department of Motor Vehicles to accept a cash deposit or surety bond from fleet owners as a method to obtain a certificate of self-insurance.

Current law already offers a pathway for qualified individuals and companies to establish financial responsibility through a certificate of self-insurance. Furthermore, this bill's approach may not achieve its intended goal, as it still requires companies to maintain a significant insurance policy, and existing law already provides alternatives to meet the self-insurance requirements beyond the \$2.2 million net worth threshold.

In addition, this bill introduces costs that were not included in the 2024 Budget Act, adding further strain to the Motor Vehicle Account.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

