

The Next California Insurance Commissioner Must Fully Restore The Consumer Intervenor Program

The undersigned organizations, with cumulative membership and affiliation of over 500,000 Californians, denounce California Insurance Commissioner Lara's recent rollback which will effectively incapacitate the Prop 103 Consumer Insurance Intervenor Program by making it harder for consumer intervenors to engage and fund their efforts to challenge rate hikes. This insurance industry giveaway will result in less public input on insurance rate setting which will mean people pay higher insurance costs across the state. The next Insurance Commissioner must reverse course.

Californians voted for Prop 103 in 1988 to create and fund formal consumer representation in insurance rate setting to counter insurance industry lobbying and influence on the process. California voters recognized that setting rates through backroom negotiations between the industry and the Department of Insurance was a recipe for regulatory capture and rate inflation. They chose to lower insurance costs and improve transparency and oversight by providing the public more opportunity to offer input and challenge industry claims.

Since then, the Consumer Intervenor Program has generated massive savings for Californians. The Department of Insurance's own information confirms that over the past two decades, consumer intervenors have saved Californians more than [\\$6.5 billion](#) in insurance premiums—while costing just a fraction of that amount to operate without slowing down the review process.

Insurance companies have immense resources at their disposal. Consumers need well-funded representation too.

The next California Insurance Commissioner must commit to reinstating the long-standing rules that govern and fund the Consumer Intervenor Program. They should welcome consumer interventions that serve as a crucial counterweight against the insurance industry's immense advantage in the rate-setting process and work to stop runaway insurance pricing so more Californians are able to afford insurance.

Organizational Signatories

Americans for Financial Reform Education Fund
 Climate Defenders
 Consumer Action
 Consumer Federation of America
 Consumer Reports
 Consumer Watchdog
 GreenFaith
 Oil and Gas Action Network

Public Citizen
 The Academy of Financial Education
 The American Policyholder Association
 The Greenlining Institute

Individual Signatories

Dave Jones, California Insurance
 Commissioner, Emeritus