



FACT SHEET

Prop 103's Group Insurance Plans

Summary

When voters passed Proposition 103 (Prop 103), written by Consumer Watchdog attorney Harvey Rosenfield, they wrote into law regulations that established rating factors to be used in setting insurance rates; established the Insurance Commissioner as an elected position with prior approval of insurance rates; and enacted into law specific provisions including a provision that established consumer participation providing legal awards for intervenors, and a provision that specifically established the governance for group insurance plans.

Importantly, Harvey Rosenfield wrote the group insurance provision under Prop 103 “without restriction as to the purpose of the group,” voters subsequently ratified this into law, thus providing broad consumer access to group discounts:

Group Insurance Plans, Insurance Code Section 1861.12

1861.12. Any insurer may issue any insurance coverage on a **group plan, without restriction as to the purpose of the group, occupation or type of group**. Group insurance rates shall not be considered to be unfairly discriminatory, if they are averaged broadly among persons insured under the group plan.

[Source: <http://www.consumerwatchdog.org/feature/text-proposition-103>]

For the past three decades the California Department of Insurance, and every elected California Insurance Commissioner, have approved these group discounts, recognizing that group discounts are actuarially sound.

What's more, since the passage of Prop 103 the California Department of Insurance, and the elected Insurance Commissioners, have interpreted that group discounts are proper and consistent with ratemaking rules, and have vigorously protected consumer access to Prop 103's group discounts.

Thanks to these group discounts on auto insurance, and the safeguarding of these group discounts by Insurance Commissioner Dave Jones, his predecessors, and the California Department of Insurance, millions of California consumers have secured lower costs under Prop 103, including teachers, nurses, firefighters, police officers, librarians, seniors, public employees, military veterans, and recent college graduates from our state colleges and universities. These group discounts help make auto insurance more affordable for working families and provide needed discounts for hundreds of thousands of consumers who live paycheck to paycheck.

Prop 103's Group Discounts Under Attack

Rather than looking for opportunities to expand access to group discounts so that more consumers can benefit from lower costs, Consumer Watchdog has embarked on an aggressive effort to prohibit consumers from accessing group discounts.

Last year an Administrative Law Judge rejected Consumer Watchdog's legal challenge re-affirming group discounts for consumers. After this legal defeat, Harvey Rosenfield and Consumer Watchdog lawyers put political pressure on Commissioner Dave Jones and the California Department of Insurance to reject or significantly limit access to group discounts. Thankfully, Commissioner Jones stood with consumers, successfully protecting the same group discounts that have saved consumers money for over thirty years.

Now Consumer Watchdog lawyers, including Harvey Rosenfield, are at it again, putting political pressure on the California Department of Insurance. They're pushing new regulations that would significantly restrict access to group discounts that millions of consumers have relied on, threaten the privacy of countless consumers, add new administrative burdens on unions, employers and membership groups, and increase auto costs for consumers who can least afford it.

Don't allow the self-serving agenda of Consumer Watchdog to eliminate discounts and hurt consumer protections that millions of Californians from all walks of life depend on for lower cost auto insurance.