

What can YOU do about ZIP CODE rating?

Consumer groups are now asking Commissioner Garamendi to change the current regulations. But to change them, the Commissioner needs to hear from YOU.

- Come to your **local hearing** and let the Commissioner know how ZIP code rating affects your life.

VAN NUYS

6:00 PM, Tuesday January 13, 2004
Marvin Braude Building
6262 Van Nuys Blvd.
(between Victory Blvd. & Oxnard St.)

BUENA PARK

10:00 AM, Thursday, January 22, 2004
City of Buena Park/ City Hall
6650 Beach Boulevard
(betwn. Commonwealth & Orangethorpe, off I-5)

LOS ANGELES

6:00 PM, Thursday, January 22, 2004
Crenshaw Christian Center
Fellowship Center
7901 South Vermont Avenue
(between W. Manchester & W. Florence)

SAN DIEGO

6:00 PM, Tuesday, January 27, 2004
Jacobs Center for Non-Profit Innovation
5160 Federal Blvd., Suite A

- Write Insurance Commissioner Garamendi and let him know how ZIP-Code rating affects YOU.

The Honorable John Garamendi
Insurance Commissioner
Executive Office
300 Capitol Mall, 17th Floor
Sacramento, California 95814
(916) 445-5280 (fax)
Ombudsman@insurance.ca.gov

- Contact the following organizations for more information:

Consumers Union West Coast Regional Office

1535 Mission Street
San Francisco, CA 94103
Tel. (415) 431-6747
Fax (415) 431-0906
Ask for Michael McCauley.
Email: McCaMi@consumer.org

Foundation for Taxpayer and Consumer Rights

1750 Ocean Park Boulevard, Suite 200
Santa Monica, CA 90405
Tel. (310) 392-0522
Fax (310) 392-8874
Ask for Doug Heller.
Email: doug@consumerwatchdog.org

Public Advocates, Inc.

131 Steuart, Suite 300
San Francisco, CA 94105
Tel. (415) 431-7430
Fax (415) 431-1048
Ask for Michelle Rodriguez.
Email: mrodriguez@publicadvocates.org

The **Department of Insurance** is also available: Contact Linda Yarber at (916) 492-3544

Is your ZIP Code the reason

**you can't afford
car insurance?**

**Or the reason your
premiums are too high?**



**YOU can help end
this injustice!**

Millions of California drivers pay more for car insurance because of ZIP-Code rating

***Same* driver,
Same driving record,
Same coverage,
Same car**



***Different*
ZIP CODE**



***HIGHER*
CAR
INSURANCE
PREMIUMS**

How do we know?

California's insurers must disclose how they calculate a driver's car insurance premium using standard examples.

The results illustrate the severe impact of ZIP-Code rating on car insurance premiums.

\$1706 increase because of ZIP Code

(1) The first example is a **single woman**, licensed for 22 years, with no violations -- she is a Good Driver under Proposition 103. She drives 20 miles each way to work. She purchases comprehensive coverage.

Her annual premiums with one leading insurance company increases from \$718.00 in **San Luis Obispo (93401)** to \$2,424.00 in **South Central Los Angeles (90044)**--an increase of **238 percent or \$1706 for ZIP Code alone!**

\$5918 increase because of ZIP Code

(2) The second example is a **single man**, licensed for two years, who drives 15 miles each way to school. He purchases little more than the minimum coverage mandated by law.

When he moves from San Luis Obispo (**93401**) to **South Central Los Angeles (90062)**, his annual premium with Farmers increases from **\$2,336 to \$8,254.**

For the *same* driver, with the *same* driving record, purchasing the *same* coverage for the *same* car, **ZIP Code alone increases his premium \$5,918, or 253%.**

Does the law protect against ZIP-Code rating?

YES. In 1988 the voters enacted Prop 103, requiring that car insurance be based primarily on how people drive **not** where they live, but to this date the Department's regulations still allow insurers to give more weight to a driver's ZIP Code in setting premiums--and even a driver's gender or marital status--than to how well one drives.

Who's hurt by ZIP-Code rating ?

EVERYONE.

It is unfair to good drivers who move and have their premiums raised because of their ZIP Code even though they never had a traffic violation.

It is unfair to the poor who can control how well they drive, but not where they can afford to live.

And it is unfair to all Californians, because it only worsens the widespread problem of uninsured and underinsured drivers.