



Brenda J Bailey/PV/EDC

To
cc
bcc
Subject Fw: Seeking time before El Dorado's County Board of Supervisors on 11/6/07

STATE OF CALIFORNIA
Commissioner

Steve Poizner, *Insurance*

DEPARTMENT OF INSURANCE
Consumer Education and Outreach Bureau
300 South Spring Street, South Tower, 10th Floor
Los Angeles, CA 90013
www.insurance.ca.gov

October 11th, 2007

Supervisor Helen Baumann
El Dorado County Government Center
330 Fair Lane
Placerville, CA 95667

Dear Supervisor Baumann,

Danielle from your office has contacted me recently in light of the desire of The California Department of Insurance (CDI) to present, "California's Low Cost Automobile Insurance Program (CLCA) to The El Dorado County Board of Supervisors on November 6th, 2007 at your county seat. I had originally spoken to Ms. Cindy Keck, Clerk of the Board on this matter.

This request to be heard by your board comes from two sources here at CDI. The first comes as a result of a press release (<http://www.insurance.ca.gov/0400-news/0100-press-releases/0060-2007/release097-07.cfm>) that stems from California's state legislators approving this CLCA program for roll-out on a county by county basis. California's legislators asked California Insurance Commissioner, Mr. Steve Poizner, to assess and release this program to each county once each county's citizenry gave their feedback, which took place earlier this summer

for El Dorado County. As you can see from the article, this program is now active for those eligible citizens in El Dorado County as of October 2nd, 2007. The second source stems from a promise made by our Insurance Commissioner during the Town Hall Meeting in South Lake Tahoe, CA last August 23rd, 2007 concerning the Angora Fire. With a reported 254 residences, 75 commercial & other structures having been destroyed and 35 residences having been damaged, the promise was that his team would re-visit and support the citizens of El Dorado County, regarding the aftermath of The Angora Fire. Communicating with the county's supervisors is a way of lending that support.

Regarding CLCA, the commissioner is committed to developing the general awareness of CLCA in El Dorado County for those that are eligible for its benefits now that this program is accessible. Further, all the more reason to bring this program to the awareness to those that are eligible and have been touched by The Angora Fire and have suffered financial hardship, as a result.

Please find attached documentation that will familiarize you with the State government program at hand. Its original design (as presented, via SB20, to the California Legislature) was to reduce the number of uninsured drivers on California's highways. In addition, average annual premium for auto liability insurance coverage can easily be over \$900.00 for a married couple with family, living in El Dorado County. If this same family have good drivers and qualify for CLCA, that same premium can be reduced to below \$400.00 annually. This would be a particular support if that same family is struggling to recover from the Angora Fire.

I am in hopes that you would allow a 15 minute increment of the board's time in which the commissioner's team member could officially present this program to your board on November 6th, 2007.

Please call me if you have any questions.

Sincerely,

Mark L. Weyant, Associate Insurance Compliance Officer
Consumer Education and Outreach Bureau
California Department of Insurance
(213) 346-6805

<http://www.insurance.ca.gov/0100-consumers/0060-information-guides/0010-automobile/lca/index.cfm>



CLCAI.doc



Return

NEWS: 2007 PRESS RELEASE

For Release: October 2, 2007
Media Calls Only: 916-492-3566

Insurance Commissioner Poizner Expands Affordable Auto Insurance Option To Twenty Additional California Counties

Through Commissioner Poizner's Expansion of the Self-Sustaining California Low Cost Automobile Insurance Program, Eligible Drivers can be Insured for Under \$400 per Year

CHICO - Consistent with his commitment to serve California consumers, State Insurance Commissioner Steve Poizner visited Butte County on Tuesday to announce his expansion of the California Low Cost Automobile Insurance program (CLCA) in 20 additional California counties: Amador, Butte, Calaveras, El Dorado, Humboldt, Kings, Lake, Madera, Marin, Mendocino, Napa, Placer, San Benito, Santa Cruz, Shasta, Solano, Sutter, Tuolumne, Yolo and Yuba Counties. As of October 1, the CLCA program is accessible and available to eligible residents in these 20 counties.

"More than 3 million motorists travel California's roads without auto insurance, and nearly 5,000 motorists are uninsured in Butte County alone," said Commissioner Poizner. "This is a recipe for disaster. Fortunately, the CLCA program is a fantastic, affordable option for qualified low income drivers."

In 42 counties throughout California, the CLCA program provides eligible low-income, good drivers with state-required liability coverage for under \$400 a year. Since its inception, 34,161 policies have been issued. Program policies are issued by California licensed insurers and the program is administered by the California Automobile Assigned Risk Plan.

The California Low Cost Automobile program is 100% unsubsidized by taxpayers. The program is self-sustaining. Rates are set in each county so that premiums are sufficient to cover losses and expenses in each county.

The California Low Cost Automobile Insurance Program initially began in 1999 as a pilot program in Los Angeles and San Francisco. Senate Bill 20 (Escutia) authorized the Commissioner to launch the program throughout the state upon his determination of need in each county, based on statistical data analysis and local community input.

Beginning in April 2006, the department began expanding the program statewide. The program has been available in Los Angeles, San Francisco, Alameda, Fresno, Orange, Riverside, San Bernardino, San Diego, Contra Costa, Imperial, Kern, Sacramento, San Joaquin, San Mateo, Santa Clara, Stanislaus, Merced, Monterey, Santa Barbara, Sonoma, Tulare, and Ventura Counties. After conducting community meetings to analyze the need for the program locally, Commissioner Poizner determined that the program should be made available to Amador, Butte, Calaveras, El Dorado, Humboldt, Placer, San Benito, Shasta, Sutter, Tuolumne, Yuba, Kings, Lake, Madera, Marin, Mendocino, Napa, Santa Cruz, Solano and Yolo Counties. Commissioner Poizner's announcement today marks the availability of the CLCA program to eligible residents in these 20 additional counties, and brings the Low Cost Automobile Insurance program to a total of 42 California counties.

"I am pleased to announce this great program is available in these twenty additional counties," continued Commissioner Poizner. "I'm working hard to make this affordable insurance option available to all California counties." Commissioner Poizner has already begun conducting community meetings to expand the CLCA program to the remaining 16 California counties.

To be eligible for the program, an applicant must be a "good driver" - no more than one at-fault

property damage only accident, or one point for a moving violation in the past three years; and no at-fault accident involving bodily injury or death in the past three years; and no felony or misdemeanor conviction for a violation of the Vehicle Code.

Additionally, family income cannot exceed 250 percent of the federal poverty level (\$25,525 for a single person, \$34,225 for two persons and \$51,625 for a family of four). The value of an insured vehicle must not exceed \$20,000. For more information about the program: Call 1-866-60-AUTO-1 or 1-866-602-8861

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Please visit the Department of Insurance Web site at www.insurance.ca.gov. Non media inquiries should be directed to the Consumer Hotline at 800.927.HELP. Callers from out of state, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.

If you are a member of the public wishing information, please visit our Consumer Services.

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CALIFORNIA'S LOW COST AUTOMOBILE INSURANCE PROGRAM

WHAT IS IT?

A program established by the California Legislature that provides low-income good drivers who live in eligible counties in California with low cost insurance coverage. This pilot program, which is administered by the California Automobile Assigned Risk Plan (CAARP), became effective on **July 1, 2000**, for qualified residents of Los Angeles County and the City and County of San Francisco only.

Effective **April 1, 2006**, the Program was expanded to qualified residents of Alameda, Fresno, Orange, Riverside, San Bernardino and San Diego counties.

On **June 1, 2006**, eight additional counties were added to the Program: Contra Costa, Imperial, Kern, Sacramento, San Joaquin, San Mateo, Santa Clara and Stanislaus, for a total of sixteen eligible counties.

WHO IS ELIGIBLE?

Only low-income good drivers are eligible for this coverage. Applicants also must reside in one of the approved counties, and the current value of their vehicle cannot exceed \$20,000. Eligibility is based on the household's gross annual income which must be 250% or less of the federal poverty level. See chart below.

APPLICANT INCOME ELIGIBILITY CHART		
Number in Household *	Poverty Income Level	250% of Federal Poverty Level
1	\$10,210	\$25,625
2	\$13,690	\$34,225
3	\$17,170	\$42,925
4	\$20,650	\$51,625
5	\$24,130	\$60,325
6	\$27,610	\$69,025
7	\$31,090	\$77,725
8	\$34,570	\$86,425

For households with more than 8 members, add \$3,480 for each additional member to the figure shown in the Poverty Guideline. Multiply the result by 250%.

- A "Household" is all persons who occupy a housing unit and who are related by blood, marriage, adoption or guardianship (i.e., members of one family). If more than one family is living in the same housing unit, they constitute different families for eligibility purposes even though they reside at the same address

The Federal Poverty Guidelines are released annually by the Department of Health and Human Services.

WHAT IS A "GOOD DRIVER"?

- Applicant is at least 19 years of age and has been continuously licensed to drive for the past 3 years.*

- Applicant has no Vehicle Code felony or misdemeanor convictions on their driving record.
- Applicant has not had an at fault accident involving bodily injury or death in the past 3 years.
- Applicant has not had more than one, or both, of the following in the past 3 years:
 - o A property damage only accident in which they were principally at fault, or
 - o A point for a moving violation.
- Applicant is not a college student claimed as dependent of for federal/state income tax purposes.
- * Individuals who were previously licensed in another country other than the U.S. or Canada and can demonstrate that they have been continuously licensed for 18 months in the U.S. or Canada are also eligible.

WHAT COVERAGES ARE AVAILABLE?

Liability limits of \$10,000 bodily injury or death per person, \$20,000 bodily injury for each accident and \$3,000 property damage for each accident. These limits will satisfy the state's current financial responsibility laws. Medical Payments Coverage at \$1,000 per person, and Uninsured Motorist Bodily Injury at limits of \$10,000/\$20,000, are also available at the option of the applicant.

* Physical Damage (Comprehensive & Collision) **IS NOT** available under this Program.

WHAT DOES IT COST?

RATE PER VEHICLE – ANNUAL PREMIUM			
County	Liability	Medical (optional)	Uninsured Motorist BI (optional)
Alameda County	\$318.00	\$23.00	\$33.00
Contra Costa County	\$313.00	\$22.00	\$29.00
Fresno County	\$295.00	\$44.00	\$53.00
Imperial County	\$208.00	\$23.00	\$33.00
Kern County	\$236.00	\$24.00	\$31.00
Los Angeles County	\$350.00	\$37.00	\$67.00
Merced County	\$267.00	\$30.00	\$36.00
Monterey County	\$210.00	\$25.00	\$32.00
Orange County	\$308.00	\$31.00	\$39.00
Riverside County	\$243.00	\$18.00	\$33.00
Sacramento County	\$378.00	\$30.00	\$50.00
San Bernardino County	\$280.00	\$23.00	\$41.00
San Diego County	\$265.00	\$19.00	\$27.00
San Francisco County	\$336.00	\$29.00	\$25.00
San Joaquin County	\$292.00	\$30.00	\$36.00
San Mateo County	\$303.00	\$21.00	\$26.00
Santa Barbara County	\$220.00	\$22.00	\$31.00
Santa Clara County	\$286.00	\$19.00	\$25.00
Sonoma County	\$270.00	\$26.00	\$31.00

Stanislaus County	\$354.00	\$45.00	\$46.00
Tulare County	\$222.00	\$33.00	\$44.00
Ventura County	\$280.00	\$22.00	\$32.00

If there are one or more unmarried male drivers between the ages of **19-24**, inclusive, who reside in the household, the base rate would be surcharged an **additional 25%**.

Rates effective 03/30/07

WHAT ARE THE PAYMENTS PLANS?

PAYMENT OPTIONS	
	Full Annual Premium
	\$125 Deposit with balance to be paid within 30 days.
Option 1	\$100 Deposit with balance to be paid in 6 bi-monthly installments.*
Option 2	\$125 Deposit with balance to be paid in 5 bi-monthly installments.*
Option 3	15% Deposit with balance to be paid in 6 bi-monthly installments.*
* There will be a \$4.00 per installment fee for Payment Options 1, 2 & 3. Bi-monthly means every other month a payment is due.	
No Outside Premium Financing is allowed!	

HOW DOES ONE APPLY?

If you meet the eligibility requirements, contact any insurance agent and ask if they are a **Certified Producer** with the **California Automobile Assigned Risk Plan/California Low Cost Automobile Insurance Program**. If they are certified, they can help you in applying for automobile liability insurance through the California Low Cost Automobile Insurance Program. This individual can assist you in completing an application and tell you about the payment plan options.

- If you need a list of certified producers in your area, contact CAARP's Customer Service Department at their toll free number **866-60-AUTO-1**.
- Once you find a certified producer in your area, they will help you complete an application for insurance, plus collect the required deposit and documents needed for this Program.
- Once the producer has completed the application, they will mail everything to the CAARP office in San Francisco.

WHAT DO I NEED TO GIVE MY AGENT?

Applicants will have to provide income verification in the form of one of the following:

- A copy of their federal or state income tax return if filed in the previous calendar year, or if filed in the current year, whichever is most recent, **or**
- Other reliable evidence from a governmental agency or government means tested program verifying the applicant's **annual gross income**.

Applicants must also provide:

- Check or money order made payable to CAARP/CA Low Cost Program
- Copy of the driver's license for **ALL** drivers in the household
- Copy of the vehicle registration or proof of vehicle ownership.
- Signed Privacy Waiver Form for each member of the household 18 years of age or older. This form ensures that your total household income can be verified.

Note: You can pay CAARP/Low Cost Program directly. Your agent/producer does not have to submit their check on your behalf.

WHEN IS COVERAGE EFFECTIVE?

Only **Certified Producers** may submit applications to the California Low Cost Automobile Insurance Program and obtain immediate coverage through CAARP's **Electronic Effective Date Procedure (EEDP)** or through **EASi**. Proposed effective dates are only honored if the producer complies with all of the rules governing the EEDP and/or **EASi**.

Applications submitted without using the Electronic Effective Date Procedure or **EASi** will become effective at 12:01 A.M. the day after receipt in CAARP's office. Future effective dates are also available via the EEDP and **EASi**. To receive a future effective date, CAARP must receive the application before that requested date.

HOW LONG WILL IT TAKE BEFORE I KNOW I AM INSURED?

Once CAARP receives the application with attached documents and deposit, it will determine whether or not the applicant is eligible per the requirements of the Program. There are 3 possible scenarios:

1. Applicant is determined to be eligible and application with deposit is assigned to an insurance company. Assignment notices are mailed to both producer and insured. The Insurance Company receives the application, attached documents and deposit.
2. Applicant is temporarily determined to be eligible, but required information/documentation is missing. Application is **RETURNED** to the producer to complete or attach the missing information within 10 calendar days. If missing information is returned with the 10-day time span and satisfies the requirements of the Program, the application will be assigned.
3. Applicant is determined to be not eligible and application for insurance is **REJECTED**. Both applicant and producer will be notified in writing with the reason(s) for rejection and the application with deposit will be returned to the producer. **THERE WILL BE NO COVERAGE**. Note: If producer uses **EASi**, the system will determine immediately whether the applicant is eligible.

WHEN CAN A COMPANY CANCEL?

Like with any insurance, the Low Cost policy can be canceled if the applicant fails to pay their premiums, or if the company determines there is any fraud or misrepresentation.

CAN I CHOOSE THE ASSIGNED COMPANY?

No. Applications are assigned via a random assignment process.

CAN THE PRODUCER RETAIN COMMISSION?

No. The producer is required to send the application with the appropriate **gross deposit premium** to the Plan. The assigned insurance company will pay the producer his/her commission upon issuance of the policy.

CAN THE PRODUCER CHARGE EXTRA FEES?

No. Per 11624.5 of the California Insurance Code, producers **CANNOT** charge their clients **ANY** fee when submitting an application through the California Low Cost Automobile Insurance Program. The producer will be paid commission by the assigned insurance company. This means no "broker fees", "paperwork fees", or MVR fees can be charged.

WHERE DO I REPORT A CLAIM?

Each company sends information with every policy about how and where to report claims. Contact the company directly as soon as information about a claim is known.

WHAT SHOULD I DO IF I HAVE A PROBLEM?

If you experience a problem with the assigned company or your producer regarding your insurance, it is recommended to call the company or producer directly to try and solve the problem. If the problem cannot be resolved, contact CAARP at 866-60-AUTO-1 and a customer service representative will try to assist you. **Se Habla Espanol !**

WHAT ELSE DO I NEED TO KNOW ABOUT THIS PROGRAM?

- There is a maximum of one car per Low Cost Auto Insurance policy. (You cannot add other cars to an existing policy.)
- Only two Low Cost policies can be purchased per person, per household.
- The policy term is for one year with annual renewals. If the applicant still meets all of the eligibility requirements at renewal, the company **must** offer a renewal.
- A Low Cost policyholder cannot purchase additional liability insurance coverage for their covered vehicle(s), but they can purchase physical damage coverage elsewhere.