

## **Edwin Lombard's Testimony:**

“Hello, my name is Edwin Lombard and I am the Interim President and CEO of the California Black Chamber of Commerce. Mr. Chairman, members--thank you for the opportunity to share our grave concerns about the proposed regulatory changes to insurance affinity programs. As you may know, I have testified twice before the Department of Insurance on this issue to only have the concerns of low income, minority community members ignored. Once again communities of color are being pushed aside over an issue that impacts the financial wellbeing of our families. The bulk of California's workforce is non-union, and while currently eligible for some occupational group discounts, the proposed regulations would force unreasonable and costly requirements on them to join and even verify group membership. Not everyone can afford a union, or affiliated group membership. As a result, discounts hard-earned by families or workers will cease to exist with these requirements. If the option to purchase cost-effective insurance through affinity groups is removed, the men and women that we represent will be the first to feel the effects. An increase in the cost of auto insurance to this magnitude may force our small business owners, chamber members, and other residents to make tough choices when planning their yearly budget--scaling back coverage, putting themselves and their families at risk.

It is our hope that you and your staff will consider these concessions to ensure our communities are not affected:

- Allow for un-affiliated groups to be created and easily verified by the department so that small businesses, community groups, and low-income populations can obtain discounts without burdensome filing requirements. The goal was to make access to these discounts easier, putting more restrictions in place just limits who can have these discounts.
- Eliminate the discriminatory requirement of dues or annual membership. Require companies to verify that they have in place a process to verify membership.
- The department could help consumers learn how to set up a group and how to work with insurers. The Department should create reasonable criteria to ensure that members of groups have some common characteristics - making it simple and easy for membership groups like ours to validate their authenticity
- Withdraw the provisions around sharing private or confidential data with the state, as these not only will force companies to withdraw their programs, but potentially will force privacy breaches and risk data being used for illicit efforts.

Mr. Chairman, members of this committee, we need your help in making this right, and protecting those in the state that do not have a voice, that are so often forgotten by overzealous state regulators. Make this right. We stand ready to work with the Department and this committee to help. Thank you.”