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Minority, Faith and Small Business Groups Call on Legislature to Protect Insurance Discounts for Millions of Californians

Legislators heard heartfelt pleas to stop the Department of Insurance's proposed regulations to eliminate certain affinity programs that can make or break a family's financial future

Sacramento, CA—On Wednesday, March 11, dozens of low income and minority groups and individuals traveled from across the state to attend a hearing and plead with state legislators to help them stop the California Department of Insurance (DOI) proposed affinity group regulations. If the DOI succeeds in pushing through these flawed regulations, teachers, secretaries, janitors, first responders and even churches could lose valuable discounts to auto and home insurance. The hearing was held by the California State Assembly Insurance Committee, titled, **“The Uncertain Future of Auto and Home Insurance Discounts: Oversight of Department of Insurance Proposed Regulations”**

“In these very chaotic and difficult times, now is not the time for the Department to take away an important benefit to groups that are struggling to make ends meet,” stated Edwin Lombard, CEO of the California Black Chambers of Commerce and member of Californians United to Protect Insurance Discounts. “This week we came to the Capitol to ask that the state legislature step in and protect these insurance discounts which mean a make or break situation for some families - should they buy food or pay for mandated car insurance.”

Organizations from as far away as Los Angeles, Santa Maria, San Bernardino and Stockton traveled to the capitol in order to testify before members of the California Assembly Insurance Committee about the importance of affinity group discount pricing to their members. Chair Tom Daly and other members of the committee heard from three panels, ranging from stakeholder groups to industry experts, as well as public comment about the California Department of Insurance's (CDI) proposed regulations for affinity group programs.

“Myself and so many other groups that testified have been trying to reach the Department of Insurance through letters and participating in hearings—and yet we still don't feel heard. It's so disappointing that the Department of Insurance has not taken the time to listen to the communities of color that these

regulations would supposedly protect. We're here and we're ready to work with him to figure out a solution—together.” stated Oscar de la Torre, President of the California Latino School Board Association.

In a letter to the Department of Insurance, E. Toby Boyd, President of the California Teachers Association wrote, “If the ability to offer insurance through affinity groups were eliminated, people like our members in education may be forced to pay more for insurance. Our members rely on the lower-cost options provided by insurers through affinity groups—as do so many other hard-working Californians.”

The DOI's proposed regulations would limit access to these types of discounts to only large, affiliated groups like labor unions and Costco, on the basis that affinity group discounts are discriminatory against non-white, low income residents. To refute this claim, a number of groups, including the California Black Chamber of Commerce, California Teachers Association, California Hispanic Chamber of Commerce, National Latino Evangelical Coalition, YXPlosion, the California Latino School Board Association, American GI Forum Education Foundation, HOPE For All, university alumni groups, and policy holders, spoke thoughtfully about what affinity group discount programs mean to their members and organizations. Overall, 16 groups—an overwhelming majority—testified that they opposed the DOI's proposed regulations.

Groups Question the DOI's Process for Developing Proposed Regulations

Many of those who testified also brought to the committee's attention that rather than restricting access to these programs, any changes to existing affinity group discounts should focus on expanding the definition of who qualifies.

“If the concern is truly about economic justice, it only makes sense for the DOI to do all they can to expand the reach of these programs and offer more discounts to more Californians,” said Gloria Colazo, Ecuadorian & El Salvador Chambers of Commerce and member of Californians United to Protect Insurance Discounts, during public comment.

“The Department of Insurance has not done all that it should do to make affinity groups more accessible. They should intentionally market this opportunity to low income communities and communities of color who have not yet been plugged into these programs,” said Rabbi Jonathan Klein of HOPE for All and member of Californians United to Protect Insurance Discounts. “The pathway forward is not tightening the regulation, but rather easing the regulations to make these programs more inclusive.”

Assemblymember Mike Gipson, a member of the committee also brought up better marketing for these kinds of discounts as a potential solution to the issue. Many of the groups who spoke urged the Department to expand, rather than restrict, these affinity group programs, and expressed frustration that their pleas have gone unanswered by the DOI since its initial hearing last September.

“For months, the California Hispanic Chambers of Commerce has written letters and spoken directly to the Department of Insurance in support of affinity group discounts,” says Julian Canete, CEO of the California Hispanic Chambers of Commerce. “We’re tired of having to say this over and over again to a state institution that hasn’t made us feel heard. Instead of listening to us or other groups, the CDI seems to give more credence to organizations like Consumer Watchdog.”

The groups and organizations unanimously agreed that the Department of Insurance must reach out to the stakeholders most impacted by this regulation and consider their concerns. They also called on Commissioner Lara to delay any implementation until they could meet with him directly to voice the deep concerns they have. Many groups have requested meetings with the Department and have not heard back.

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Californians United to Protect Insurance Discounts is a broad-based coalition of local business groups, community-based organizations, unions, faith leaders and property casualty insurers working together to protect affinity group programs permitted under current law to which insurers provide insurance discounts throughout California. CUPID coalition members include: the California Black Chamber of Commerce, the California Hispanic Chambers of Commerce, American GI Forum Education Foundation, National Latino Evangelical Coalition (NALEC), HOPE For All: Helping Others Prosper Economically, the Ecuadorian-American California Chamber of Commerce/El Salvador Chamber of Commerce and the American Property Casualty Insurance Association.

Learn more at: <http://www.protectourdiscounts.org>



Rabbi Jonathan Klein, HOPE For All; Walter Contreras, NALEC; Oscar de la Torre, California Latino School Board Association; Amy Schmidt, USC Alumni; Gloria Colazo, El Salvador Chamber of Commerce and Ecuadorian American Chamber of Commerce; Val Hernandez, AGIF; Julio Tamayo, AGIF; and Rigoberto Hernandez, AGIF, pose outside the Capitol Building in Sacramento after the Assembly Insurance Committee Hearing.



Edwin Lombard, CEO of the California Black Chambers of Commerce speaking on a panel about what affinity group discounts mean to his organization to the California Assembly Insurance Committee. Assembly Members Cooley, Gipson, and Wood present.



Rigoberto Hernandez of American GI Forum Education Foundation speaking to the Insurance Committee.



Julian Canete, President of the California Hispanic Chambers of Commerce, speaking during public comment.



Gloria Colazo, of the El Salvador and Ecuadorian Chambers of Commerce, speaking to the Insurance Committee.



Rabbi Jonathan Klein testifying before the Insurance Committee