

## **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 that ZIP-Code rating is UNFAIR.

**OAKLAND**  
**6-9:00 p.m.**  
**Thurs. Dec.4, 2003**  
**Elihu Harris State Building**  
**Auditorium**  
**1515 Clay Street**  
**(between 15th & 16th St.)**  
**Oakland, CA**

- Ask your local organization to join in and participate in the hearings.

- 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)  
GaramendiJ@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 to answer your questions:

Contact Darcie Chapman 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!**

### **\$1314 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.

In **Oakland**, a premium in the **Montclair** district (**94611**) would be \$4,212, while in the city's predominantly Latino **Fruitvale (94601)** district the same driver would pay \$5,526.

For the *same* driver, with the *same* driving record, purchasing the *same* coverage for the *same* car, **ZIP Code alone increases his premium more than \$1314, or 31 percent!**

### **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.