

**FACT SHEET**

**GOOD DRIVERS LIVING IN PREDOMINANTLY AFRICAN-AMERICAN AND  
LATINO ZIP CODES CHARGED HIGHER PREMIUMS**

California's largest insurers charge good drivers in predominantly Latino and African-American ZIP Codes \$103-\$974 more, or 8-83 percent more, for the very same automobile insurance coverage, than the same good driver in predominantly non-Hispanic White ZIP Codes.

Insurer	AVERAGE ANNUAL PREMIUM			AVERAGE PREMIUM INCREASE (compared to Non-Hispanic White ZIP Codes)	
	Predominantly Non-Hispanic White ZIP Codes	Predominantly Latino ZIP Codes	Predominantly African- American ZIP Codes	Predominantly Latino ZIP Codes	Predominantly African- American ZIP Codes
State Farm 2002 (531 ZIP Codes)	\$1,309.12	\$1,412.68	\$1,846.54	\$103.56 7.91%	\$537.41 41.05%
Farmers 2002 (531 ZIP Codes)	\$1,166.36	\$1,380.64	\$2,140.88	\$214.28 18.37%	\$974.51 83.55%
Allstate 2002 (531 ZIP Codes)	\$1,064.44	\$1,202.50	\$1,664.50	\$138.06 12.97%	\$600.06 56.37%
State Farm 2004 (1838 ZIP Codes)	\$1,506.67	\$1,683.52	\$2,072.05	\$176.85 11.74%	\$565.38 37.52%

As the table above demonstrates, insurers charge good drivers in predominantly Latino and African-American ZIP Codes tens to hundreds of dollars more for mandatory automobile insurance than they charge good drivers in predominantly non-Hispanic White ZIP codes, according to the data analyzed from insurance company filings with the California Department of Insurance.

The numbers above are statewide averages. Particular examples further illustrate the irrational, discriminatory impact. For example, in ZIP Code 90045 (Westchester, Los Angeles County), a community that is 52.13 percent non-Hispanic White, Farmers charged this good driver an annual premium of \$1,443.00 in 2002. But if she moved across the street into the adjacent ZIP Code 90301 (Inglewood)Ca community that is 57.25 percent LatinoCFarmers charged her \$2,342.40, an increase of \$899.40, or 62.3 percent. And if she moved instead across the street into the adjacent ZIP Code 90056

(Baldwin Hills)Ca community that is 72.11 percent African-AmericanCFarmers charged the same good driver \$2,394.40, an increase of \$951.40, or 65.9 percent.

ZIP Code	Race/Ethnicity	Total Population	Median Household Income	Farmers' Annual Premium (2002)
90045 (Westchester)	52.13% non-Hispanic White	39,315	\$56,566	\$1,443.00
90056 (Baldwin Hills)	72.11% African-American	8,108	\$72,193	\$2,394.40
90301 (Inglewood)	57.25% Latino	37,507	\$31,306	\$2,342.40

Similar examples of adjacent ZIP Codes with discriminatory premiums for the same good driver exist throughout California, in places such as Northern California, the Central Coast, and Central California.

- (1) In ZIP Code 95973, in Chico, Butte County, which is 82.11 percent non-Hispanic White, State Farm charges an annual premium of \$1,371.58 in 2004; but in adjacent ZIP Code 95951, in Hamilton City, Glenn County, which is 76.85 percent Latino, the premium jumps to \$1,599.22, an increase of \$227.64 or 16.6 percent.
- (2) In ZIP Code 95037, in Morgan Hill, Santa Clara County, which is 61.55 percent non-Hispanic White, State Farm charges an annual premium of \$1,277.10 in 2004; but in adjacent ZIP Code 95020, in Gilroy, which is 51.1 percent Latino, the premium increases to \$1,402.92, an increase of \$125.82 or 9.85 percent for the very same good driver.
- (3) In ZIP Code 95204, in Stockton, San Joaquin County, which is 54.27 percent non-Hispanic White, State Farm charges an annual premium of \$1,729.62 in 2004; but in adjacent ZIP Code 95205, in Stockton, which is 57.97 percent Latino, the premium jumps to \$1,980.98, an increase of \$251.36 or 14.5 percent for the same good driver.

For further information, see [www.consumersunion.org/issues/insurance.html](http://www.consumersunion.org/issues/insurance.html).

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