

INSURANCE AGENTS ENCOURAGE END TO CALIFORNIA AUTO INSURANCE RATE MORATORIUM AND RETURN TO HEALTHY AUTO INSURANCE MARKET

RATE MORATORIUM AND REFUSAL TO PROCESS RATE FILINGS IS REDUCING OPTIONS FOR CONSUMERS AND MAKING THEIR LIVES MORE DIFFICULT

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Commissioner Lara's Rate Moratorium and his refusal to process automobile insurance rate filings is reducing options for California consumers and making their lives more difficult.”

Michael D'Arelli

[agents](#) are on the front lines every day, working directly with California consumers, many of whom are struggling economically. They are well-situated to speak to the current state of the industry and the impact of Insurance Commissioner Lara's decisions on California consumers. Agents are now hearing from consumers—they are mad and forcing agents into action.

“Commissioner Lara's Rate Moratorium and his refusal to process automobile insurance rate filings is reducing options for California consumers and making their lives more difficult. To be clear, no one wants higher insurance

premiums, however insurers can only continue serving consumers if auto insurance rates reflect the real costs borne by insurers,” said Michael D'Arelli, executive director of the [American Agents Alliance](#).

Commissioner Lara is overlooking the underlying reason that auto insurers are slowing down new business submissions by announcing changes to installment plans, advertising, and agency appointments, among other things. It is specifically because Commissioner Lara is no longer reviewing auto insurance filings—despite the well-documented inflation of auto claims costs—that companies are making difficult market decisions impacting consumers and agents.

“You can't blame insurers for pumping the brakes on new business given the current rate inadequacy caused by Commissioner Lara's inaction on rate filings. Consumers are feeling the pain caused by the commissioner and they are contacting their agents and they are really mad. In turn, agents are now asking us for strongly-worded messaging they can send to their clients

about the upcoming election; they want to educate their clients to choose wisely, ideally someone who will do their job as a regulator rather than destabilize an entire market,” D’Arelli went on to say.

Insurers are working hard to find solutions to the elevated pressure from increased traffic fatalities, the price of used cars that drives total loss settlements, and the costs and delays of repair part supply chain shortages.

Commissioner Lara’s Moratorium deprives auto insurers of pricing for these costs and is triggering decisions by insurers that no one wants. California consumers and insurance agents need a healthy auto insurance market. Toward that end, Commissioner Lara should resume processing rate filings as soon as possible and allow the automobile insurance market to recover.

About the American Agents Alliance

Since 1962, the American Agents Alliance has been a member-driven association of insurance professionals and their industry partners. Headquartered in Sacramento, California, the Alliance provides its members with advocacy, education, networking, and a variety of business and professional development tools. www.agentsalliance.com

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