

Insurance Agents Request Expedited & Fast-Track Rate Review Process to Avert Personal Lines Meltdown in California

Expedited & Fast-Track Rate Review Would Accelerate Stabilization of Withering Auto & Home Insurance Markets in California

SACRAMENTO, CALIFORNIA, UNITED STATES, May 31, 2023

/EINPresswire.com/ -- Today the

[American Agents Alliance](#), a national

association of independent property and casualty [insurance agents](#), sent California Insurance Commissioner Ricardo Lara a letter recommending the establishment of an expedited and fast-track rate approval process for personal lines insurers.



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Michael D'Arelli

“The California automobile and homeowners insurance markets are in turmoil. Our agents and the consumers we serve are losing access to insurance markets as insurers terminate agency appointments and restrict the submission of business,” said Michael D'Arelli, Executive Director of the American Agents Alliance.

While the California Department of Insurance (CDI) resumed processing automobile rate increase requests six

months ago, the damage done by not approving rate increases for over two and a half years, from March 2020 until Allstate's rate filing approval on October 30, 2022, is now being felt.

"If insurers believed they are permitted to charge adequate rates, they would be fully open. However, that is not the case. We believe the California law that forces auto insurers to sell to all 'good drivers'—even if their approved rates are inadequate—is forcing this new market behavior," D'Arelli went on to say.

“While a thorough rate approval process is necessary, urgency should now be a priority to accelerate recovery from this destabilized market. Insurers are continuing to receive months of

questions from CDI staff and, for large carriers, questions from ‘intervenors,’ as if time is not of the essence. This is now a three alarm fire. We would not be in this dire situation if the CDI had processed auto rate filings the past couple of years—instead of making blanket assertions that insurers made ‘excess’ profits due to reduced driving during the depths of the COVID pandemic, while not even providing individual insurers that disagreed a method of disproving the assertion,” said D’Arelli.

The CDI cannot continue with a business-as-usual approach, processing rate filings as if everything is fine, because it is not. The logjam of personal automobile rate filings is also delaying much needed homeowners and commercial insurance rate filing review. State Farm’s recent announcement that it will no longer sell to new customers seems like a clear sign that more bad news is coming for California consumers.

The CDI should treat this crisis with the seriousness it deserves by establishing an expedited and fast-track rate approval process for personal lines rate filings, to accelerate the return to a competitive marketplace for agents and consumers.

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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