

REPORT CARD

RICARDO LARA
INSURANCE COMMISSIONER

OVERALL GRADE:
D

MAY 2019

SUBJECT	GRADE	COMMENTS
OVERCHARGES & DISCRIMINATION AGAINST LOW INCOME PEOPLE	D	Ran for office on promise to protect poor people from insurance discrimination. Then rejected a petition in March by 11 civil rights and public interest groups to prohibit auto insurance companies from overcharging lower-income and minority drivers who do not have a college degree or a well-paid profession. Pledged to hold hearings instead. Then decided to deny a second consumer group petition in April to stop Mercury Insurance from charging low income people more on their auto insurance because they are not doctors, scientists and educators.
FOSSIL FUEL INSURANCE/ GLOBAL WARMING RISK	F	Promised to prioritize climate change. Then denied a petition from 60 environmental, consumer and social justice non-profits to require transparency of the fossil fuel-related projects insurance companies insure and invest in. Said "collaboration" with insurance companies needed instead of urgent action, and claimed fossil fuels only small part of problem.
ETHICS	C-	Received a personal gift from Sempra, one of the largest fossil fuel entities in the state. Then denied the petition that would have required insurance companies to disclose who is paying \$1.02 billion in claims from the methane leak at Sempra's Aliso Canyon. Reported in March a gift from Sempra of two field level tickets to a Beyonce concert.
POLICYHOLDER PRIVACY	C-	Remained silent on AB 981 (Daly), the insurance industry's bill to exempt insurance companies from respecting consumers' privacy under the California Consumer Privacy Act (CCPA). The legislation was uniformly opposed by consumer groups. Lara appeared at committee hearing but refused to take a position against the insurance industry's power grab.
CALIFORNIA EARTHQUAKE AUTHORITY (CEA)	D-	Personally testified in support of SB 254 (Hertzberg), a bill sponsored by homeowners insurance companies to upend the California Earthquake Authority. The bill would free those insurers from nearly a billion dollars in claims responsibilities for a catastrophic earthquake, and shift those costs to all policyholders through a new assessment.

COMMENTS: Needs to improve. The Department of Insurance has vast power over consumer pocketbooks. In his first four months, Commissioner Lara has approved \$292 million in auto and homeowners insurance rate increases. Lara needs to get serious about regulating the insurance industry if he is to protect the policyholders he was elected to defend. In his first months he has protected insurance companies more than consumers, who will expect much improvement.