



February 8, 2010

Admiral Michael G. Mullen, USN  
Chairman of the Joint Chiefs of Staff  
9999 Joint Staff  
Room 2E872  
The Pentagon  
Washington D. C. 20318-9999

BY FAX: 703.697.6002

Dear Admiral Mullen,

Internal investigative reports released by the California Department of Insurance provide evidence of troubling practices by Los Angeles-based Mercury Insurance Company directed against American military personnel. The reports, which are attached, show that Mercury Insurance has refused to cover, or to make policies available immediately, to active duty servicemen and women. Mercury also illegally surcharged Californians based on their history of prior coverage, a particularly pernicious practice for military personnel who must restart coverage after letting it lapse while on duty out of state. Unmarried single adults living together were also targeted for discrimination, a group that includes many members of the military serving domestically.

Consumer Watchdog's own investigation of Mercury Insurance Company's surcharges found a national pattern of abuse. In Texas, for example, Mercury currently targets soldiers by charging them 33% more if they self-report that they did not have an auto insurance policy while serving on active duty. (See our video of insurance quotes from Mercury's website at <http://stopthesurcharge.org>.) In other states where Mercury does business, failure to have prior insurance, due to military service or for other reasons, can result in auto insurance surcharges of up to 227%.

California banned the practice of surcharging soldiers and others for not having prior insurance in 1988, but the internal Department of Insurance reports attached show that Mercury illegally surcharged soldiers and others with lapses in insurance coverage for years. Although courts and regulators ordered Mercury to stop surcharging people based on coverage history in 2005, Mercury is now sponsoring Proposition 17 on the June ballot in California, which would allow it and other insurance companies to discriminate against soldiers serving domestically who have a lapse in auto insurance coverage, even if they stop driving or no longer own a vehicle, for more than a total of ninety days during the preceding five year period. We have attached a copy of that proposition, along with additional background information.

When an American insurance corporation is unjustly and perhaps even illegally targeting men and women who are willing to shed their blood for our country, we believe the Joint Chiefs of Staff should investigate the matter and take official action to stop further discrimination by the

company against American troops. We hope you will examine the attached information and meet with us to discuss steps that the Joint Chiefs can take to rectify and prevent mistreatment of our men and women in uniform by Mercury Insurance Company or any other insurance entity.

Thank you for your consideration, and for your commitment to defending the principles of democracy that make our nation strong. We look forward to talking with you or your staff on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Harvey Rosenfield'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Harvey Rosenfield  
Founder

cc: Brigadier General Mary J. Kight, National Guard  
The Honorable Loretta Sanchez Member, House Armed Services Committee  
The Honorable Jeff Denham, California Senate Veterans Affairs Committee, Chair  
The Honorable Lou Correa, California Senate Veterans Affairs Committee, Vice-Chair  
The Honorable Mary Salas, California Assembly Veterans Affairs Committee, Chair  
The Honorable Paul Cook, California Assembly Veterans Affairs Committee, Vice-Chair