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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA

In the Matter of the Rate Application of

Mercury Insurance Company,

Applicant.

File No.: 22-1219

**CONSUMER WATCHDOG'S  
PETITION FOR HEARING,  
PETITION TO INTERVENE, AND  
NOTICE OF INTENT TO SEEK  
COMPENSATION**

[Ins. Code §§ 1861.05 and 1861.10; Cal.  
Code Regs, tit. 10, §§ 2653.1, 2661.2  
and 2661.3]

1 Consumer Watchdog hereby requests that the Insurance Commissioner notice a public  
2 hearing pursuant to Insurance Code sections 1861.05, subdivisions (a) and (c), and 1861.10,  
3 subdivision (a), on the issues raised in this petition regarding the above-referenced Rate  
4 Application of Mercury Insurance Company (“Applicant”), at which time Applicant will be  
5 directed to appear and respond to the issues raised in this petition. Consumer Watchdog also  
6 hereby requests that it be granted leave to intervene in the proceeding on the Application.  
7 Consumer Watchdog intends to seek compensation in this proceeding, and, pursuant to  
8 California Code of Regulations, title 10 (“10 CCR”), section 2661.3 subdivision (c), Consumer  
9 Watchdog’s proposed budget is attached hereto as Exhibit A.

10 In support of its petition, Consumer Watchdog alleges:

11 **I. THE APPLICATION**

12 1. On or about May 19, 2022, Applicant filed a Rate Application with the California  
13 Department of Insurance (“CDI”), seeking approval of an overall 6.9% rate increase and a  
14 revision to its group programs for its private passenger auto line of insurance (File No. 22-1219  
15 [“the Application”]).

16 2. On or about June 3, 2022, the public was notified by the Department of the  
17 Application.

18 **II. PETITIONER**

19 3. Petitioner Consumer Watchdog is a nonprofit, nonpartisan public interest  
20 corporation organized to represent the interests of consumers and taxpayers. A core focus of  
21 Consumer Watchdog’s advocacy is the representation of the interests of insurance consumers  
22 and policyholders, particularly as they relate to the implementation and enforcement of  
23 Proposition 103, in matters before the Legislature, the courts, and the CDI.

24 4. Consumer Watchdog’s founder authored Proposition 103 and led the successful  
25 campaign for its enactment by California voters in 1988. Consumer Watchdog’s staff and  
26 consultants include some of the nation’s foremost consumer advocates and experts on insurance  
27 ratemaking matters.

1           5.       Consumer Watchdog has served as a public watchdog with regard to insurance  
2 rates and insurer rollback liabilities under Proposition 103 by: monitoring rollback settlements  
3 and the status of the rollback regulations; reviewing and challenging rate filings made by insurers  
4 seeking excessive rates; participating in rulemaking and adjudicatory hearings before the CDI;  
5 and educating the public concerning industry underwriting and rating practices, their rights under  
6 Proposition 103, and other provisions of state law. Consumer Watchdog has also initiated and  
7 intervened in actions in state court and appeared as amicus curiae in matters involving the  
8 interpretation and application of Proposition 103 and the Insurance Code.<sup>1</sup>

9           6.       Consumer Watchdog has initiated and intervened in numerous proceedings before  
10 the CDI related to the implementation and enforcement of Proposition 103’s reforms, including  
11 over 125 such proceedings in the last nineteen years. In every proceeding in the last nineteen  
12 years that has resulted in a final decision and in which Consumer Watchdog sought  
13 compensation, the Commissioner found that Consumer Watchdog made a substantial  
14 contribution, meaning that its participation was separate and distinct from any other party and  
15 that it presented relevant issues, evidence, and arguments that resulted in more credible, non-  
16 frivolous information being available to the Commissioner in making his final decision.

17 **III. EVIDENCE**

18           7.       At the requested public hearing, Consumer Watchdog will present and elicit  
19 evidence to show that the rates proposed in the Application are excessive and/or unfairly  
20 discriminatory in violation of Insurance Code section 1861.05, subdivision (a), which provides  
21 that “[n]o rate shall be approved or remain in effect which is excessive, inadequate, [or] unfairly  
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24 <sup>1</sup> For example, *Calfarm Ins. Co. v. Deukmejian* (1989) 48 Cal.3d 805; *20th Century Ins. Co. v.*  
25 *Garamendi* (1994) 8 Cal.4th 216; *Amwest Surety Ins. Co. v. Wilson* (1995) 11 Cal.4th 1243;  
26 *Proposition 103 Enforcement Project v. Quackenbush* (1998) 64 Cal.App.4th 1473; *Spanish*  
27 *Speaking Citizens’ Found. v. Low* (2000) 85 Cal.App.4th 1179; *Donabedian v. Mercury Ins. Co.*  
28 *(2004) 116 Cal.App.4th 968; State Farm Mut. Auto. Ins. Co. v. Garamendi* (2004) 32 Cal.4th 1029;  
*The Found. for Taxpayer and Consumer Rights v. Garamendi* (2005) 132 Cal.App.4th 1354; *Ass’n*  
*of Cal. Ins. Cos. v. Poizner* (2009) 180 Cal.App.4th 1029; *Mercury Cas. Co. v. Jones* (2017) 8  
Cal.App.5th 561; *Mercury Ins. Co. v. Lara* (2019) 35 Cal.App.5th 82; and *State Farm General*  
*Ins. Co. v. Lara* (2021) 71 Cal.App.5th 197.

1 discriminatory.” Additionally, Consumer Watchdog will present and elicit evidence that  
2 Applicant’s proposed rates violate 10 CCR § 2644.1, which provides that “[n]o rate shall be  
3 approved or remain in effect that is above the maximum permitted earned premium as defined in  
4 section 2644.2.”

5 8. Based on Consumer Watchdog’s preliminary analysis and the information  
6 contained in the Application and publicly available from the Department’s website, Consumer  
7 Watchdog has identified the following issues with respect to the Application on which it intends  
8 to present and elicit evidence as set forth in sections (a)–(f) below.

- 9 a) Excessive / Unfairly Discriminatory Rates (Ins. Code § 1861.05): Applicant has failed to  
10 prove that its proposed overall 6.9% rate increase and rates currently in effect do not  
11 result in rates that are excessive, unfairly discriminatory, or otherwise in violation of the  
12 chapter under Insurance Code section 1861.05(a). Specifically, CDI Bulletin 2020-3,  
13 issued on April 13, 2020, one month after California’s COVID-19 stay-at-home orders  
14 were issued, unequivocally put Mercury and other property casualty insurance companies  
15 on notice that their then-current rates were excessive:

16 The COVID-19 pandemic has severely curtailed activities of  
17 policyholders in both personal and commercial lines. As a result,  
18 projected loss exposures of many insurance policies have become  
19 overstated or misclassified. This is especially true for policies  
20 where premiums are based partly on measures of risk such as  
number of miles driven, revenue, and payrolls which have all  
dropped significantly because of COVID-19.<sup>2</sup>

21 Accordingly, the Commissioner ordered auto insurance companies and other property  
22 casualty insurers to issue premium refunds for the months of March and April 2020  
23 within 120 days.<sup>3</sup> The Commissioner issued additional Bulletins in May 2020, December  
24 2020, and March 2021 extending this order by requiring insurers to provide further  
25 premium refunds “in the affected lines of insurance where the projected loss exposures

26 \_\_\_\_\_  
27 <sup>2</sup> See Bulletin 2020-3, Apr. 13, 2020, p. 1 ([http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin\\_2020-3\\_re\\_covid-19\\_premium\\_reductions-2.pdf](http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_2020-3_re_covid-19_premium_reductions-2.pdf)).

28 <sup>3</sup> *Id.* at p. 2.

1 have become overstated or misclassified” for May through December 2020 and beyond  
2 as conditions warrant.<sup>4</sup> Consumer Watchdog’s analysis based on information currently  
3 available as posted on the CDI website shows that the private passenger auto COVID-19  
4 refunds and/or credits provided by Applicant to date were inadequate and insufficient in  
5 relation to the reduction in claims during the COVID-19 pandemic from March 2020  
6 through at least June 2021 and, therefore, Applicant owes additional refunds. Consumer  
7 Watchdog’s analysis is consistent with the CDI’s findings: “The Department’s review  
8 and analysis indicate that the PPA policyholders of Mercury Insurance Company (the  
9 ‘Company’) should have received substantial additional PPA premium refunds or  
10 credits.”<sup>5</sup>

11 b) Loss and Premium Trends (10 CCR § 2644.7): The selected annual net trends are among  
12 the highest of the possible 20 values based upon the applicable regulation. The excessive  
13 net trends overstate the projected loss ratios resulting in an inflated rate indication. Also,  
14 the Applicant does not demonstrate that the selected trend factors and trend data period  
15 used are the most actuarially sound.

16 c) Improper / Unsupported Excluded Expenses (10 CCR § 2644.10): Applicant has not  
17 shown that the \$0 of institutional advertising expenses listed on page 4.1 of the Rate  
18 Application is appropriate. There may also be excluded expenses for other categories that  
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20 <sup>4</sup> See Bulletin 2020-4, May 15, 2020 (<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2020-4-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic.pdf>); Bulletin 2020-8, Dec. 3, 2020 ([http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2020-8-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic-Amended-12\\_3\\_2020.pdf](http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2020-8-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic-Amended-12_3_2020.pdf)); and Bulletin 2021-3, March 11, 2021 (<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2021-03-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic.pdf>). The Bulletins directed insurance companies to report to the Department how much premium they returned, whether it was a partial refund, dividend, credit, or other form of payment.

27 <sup>5</sup> See Commissioner Lara’s Letter to Mercury Ins. Co., Oct. 5, 2021, p. 2  
28 ([http://www.insurance.ca.gov/0400-news/0100-press-releases/2021/upload/MERCURY-Refund-DOCS\\_LEGAL-1265821-v1-LETTER\\_RE\\_ADDITIONAL\\_COVID\\_REFUND\\_DATA\\_-\\_MERCURY.pdf](http://www.insurance.ca.gov/0400-news/0100-press-releases/2021/upload/MERCURY-Refund-DOCS_LEGAL-1265821-v1-LETTER_RE_ADDITIONAL_COVID_REFUND_DATA_-_MERCURY.pdf)).

1 should be reflected in the rate calculation but were not adequately reflected in the filing.

2 d) Affinity Group Surcharges (10 CCR § 2632.5(d)): Applicant's use of education and  
3 occupation to create five separate rating tiers for its Basic Group and Groups 1, 2, 3, and  
4 4 violates sections 1861.05(a) and 1861.02(a), and 10 CCR § 2632.5(d). The authorized  
5 optional rating factors that have been adopted by the Commissioner are set forth in 10  
6 CCR § 2632.5(d), and do not include education or occupation. Applicant charges higher  
7 premiums to its Basic Group policyholders than its Groups 1, 2, 3, and 4 based on  
8 education and occupational status, as Exhibit 12 – Rate Manual (Proposed) and Exhibit  
9 14 of the Application and its updated Private Passenger Automobile Manual (pp. 16–18)  
10 show. (See Exhibit B attached.)<sup>6</sup> Applicant charges Basic Group policyholders up to  
11 about 20% more than other policyholders in Groups 1–4 based upon education and/or  
12 occupation. (*Ibid.*) Use of these different rating tiers to charge rates and premiums based  
13 on education and occupational status results in excessive and/or unfairly discriminatory  
14 rates in violation of sections 1861.02(a)(4) and 1861.05(a), and the application of  
15 unauthorized rating factors is in violation of section 1861.02(a)(1)–(3) and the auto rating  
16 factor regulations at 10 CCR §§ 2632.4 and 2632.5.

17 e) Monthly Billing Plans (10 CCR § 2632.14(b)): On information and belief, Applicant is  
18 not offering monthly billing plans to new customers, but only to existing policyholders,  
19 resulting in good driver discount policies not being offered and sold under the same terms  
20 and conditions and with the same options and services that Applicant sells for other  
21 renewal policies, which violates 10 CCR § 2632.14 (b) and is an unfairly discriminatory  
22 practice.

23 f) Mileage Bands (Ins. Code §§ 1861.02, 1861.05; 10 CCR § 2632.5(c)(2)): On information  
24 and belief, Applicant is placing policyholders into higher mileage bands than the  
25 estimated mileage values provided by the insured in violation of Insurance Code  
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27 <sup>6</sup> Groups 1–3, which are charged lower rates, include generic professional occupation  
28 classifications such as Scientists and Engineers with a Bachelor's degree or higher, Educators,  
Pilots, and Public Safety Professionals.

1 sections 1861.02, 1861.05, and 10 CCR § 2632.5(c)(2). The higher mileage bands will  
2 cause the future premium trends to be higher than those reflected in the historical data,  
3 resulting in an excessive rate level.

4 9. This petition is based upon Consumer Watchdog’s preliminary analysis of the  
5 Application. Thus, Consumer Watchdog reserves the right to modify, withdraw, and/or add  
6 issues for consideration as more information becomes available, including but not limited to  
7 violations of Insurance Code section 1859 for failure to disclose information in its filings that  
8 will affect policyholders’ rates and premiums.

9 **IV. AUTHORITY FOR PETITION AND GRANTING REQUEST FOR A HEARING**

10 10. The authority for this petition for hearing is Insurance Code section 1861.10,  
11 subdivision (a), which grants “any person” the right to initiate or intervene in a proceeding  
12 permitted or established by Proposition 103 and the right to enforce Proposition 103.  
13 Specifically, as stated above, Consumer Watchdog initiates this proceeding to enforce Insurance  
14 Code sections 1861.05 and 1861.02 and the Commissioner’s regulations.

15 11. Additionally, a hearing is authorized pursuant to Insurance Code section 1861.05,  
16 subdivision (c), which allows “a consumer or his or her representative” to request a hearing on a  
17 rate application and 10 CCR § 2653.1, which provides that “any person, whether as an  
18 individual, representative of an organization, or on behalf of the general public, may request a  
19 hearing by submitting a petition for hearing.”

20 12. This petition is timely pursuant to Insurance Code section 1861.05, subdivision  
21 (c), and 10 CCR § 2646.4(a)(1) because it is filed within forty-five (45) days of the June 3, 2022,  
22 public notice date.

23 **V. INTEREST OF PETITIONER**

24 13. Consumer Watchdog’s interest in the above-captioned proceeding is to ensure that  
25 Applicant’s automobile insurance policyholders are charged rates and premiums that comply  
26 with the provisions of Insurance Code sections 1861.05(a)’s requirement that “no rate shall be  
27 approved or remain in effect which is excessive, inadequate, [or] unfairly discriminatory or  
28 otherwise in violation of this chapter,” and the requirements contained in the regulations

1 promulgated thereunder. Pursuant to state law, drivers are required to purchase automobile  
2 insurance. Consumers who are overcharged by insurers for this insurance coverage are part of  
3 Consumer Watchdog’s core constituency.

4 14. As noted in paragraphs 3–6 above, Consumer Watchdog’s staff and consultants  
5 have substantial experience and expertise in insurance rate matters, which Consumer Watchdog  
6 believes will aid the CDI in its review of the Application and aid the Commissioner in making  
7 his ultimate decision as to whether to approve or disapprove the requested rate. As noted in  
8 paragraph 6 above, the Commissioner has found that Consumer Watchdog has made a  
9 substantial contribution in all of the rate proceedings in which it has intervened in the last  
10 nineteen years that have proceeded to a final decision wherein Consumer Watchdog has sought  
11 compensation. If leave to intervene is granted, Consumer Watchdog will participate fully in all  
12 aspects of this proceeding.

13 15. Consumer Watchdog also has an interest in assuring that Applicant, the CDI, and  
14 the Insurance Commissioner comply with the laws enacted by the voters under Proposition 103,  
15 and the rules and regulations that implement those laws, including that all information submitted  
16 to the Department in connection with the Application is made publicly available.

17 **VI. AUTHORITY FOR PETITION TO INTERVENE**

18 16. The authority for Consumer Watchdog’s petition to intervene is Insurance Code  
19 section 1861.10, subdivision (a), which grants “any person” the right to “initiate or intervene in  
20 any proceeding permitted or established pursuant to this chapter [Chapter 9 of Part 2 of Division  
21 1 of the Insurance Code] . . . and enforce any provision of this article.” This proceeding is a  
22 proceeding to enforce Insurance Code sections 1861.05 and 1861.02 pursuant to Insurance Code  
23 section 1861.10(a), and hence is a proceeding both “permitted” and “established” by Chapter 9.  
24 This petition to intervene is also authorized by 10 CCR § 2661.1 et seq. Although consumer  
25 presence in departmental proceedings typically results in significant reductions to policyholders’  
26 rates, the amount of savings for each individual consumer is outweighed by the time and expense  
27 of hiring individual counsel or an advocacy group to protect his or her rights. Thus, an  
28



1 independent organization like Consumer Watchdog introduces a voice that otherwise would be  
2 absent from this proceeding.

3 **VII. PARTICIPATION OF CONSUMER WATCHDOG**

4 17. Consumer Watchdog verifies, in accordance with 10 CCR § 2661.3, that it will be  
5 able to attend and participate in this proceeding without unreasonably delaying this proceeding  
6 or any other proceedings before the Insurance Commissioner.

7 **VIII. INTENT TO SEEK COMPENSATION**

8 18. The Commissioner has awarded Consumer Watchdog compensation for its  
9 reasonable advocacy and witness fees and expenses in past departmental proceedings. The  
10 Commissioner issued Consumer Watchdog's latest Finding of Eligibility on August 25, 2020,  
11 effective for two years as of July 12, 2020. On July 11, 2022, Consumer Watchdog filed its  
12 renewed request for a finding of eligibility, effective July 12, 2022. Consumer Watchdog was  
13 previously found eligible to seek compensation on July 12, 2018; July 14, 2016; July 24, 2014;  
14 July 24, 2012; July 2, 2010; August 25, 2008; July 14, 2006; July 2, 2004; June 20, 2002;  
15 October 1, 1997; September 26, 1995; September 27, 1994; and September 13, 1993.

16 19. Consumer Watchdog intends to seek compensation in this proceeding. Pursuant to  
17 10 CCR § 2661.3(c), Consumer Watchdog's estimated budget in this proceeding is attached  
18 hereto as Exhibit A. Consumer Watchdog has based its estimated budget on several factors  
19 including: (1) the technical and legal expertise needed to address these issues; (2) its current best  
20 estimate of the time needed to participate effectively in these proceedings, taking into account  
21 the time already expended by Consumer Watchdog staff and its consulting actuary and an  
22 estimate of time needed to complete remaining tasks through completion of a noticed evidentiary  
23 hearing; and (3) past experience in similar rate proceedings before the CDI. The estimated  
24 budget is reasonable and the staffing level is appropriate, given the expertise that Consumer  
25 Watchdog and its consultants bring to these proceedings when the issues involved are issues at  
26 the very core of its organizational mission and strike at the very heart of Proposition 103 itself.  
27 The budget presented in the attached Exhibit A is a preliminary estimate, and Consumer  
28 Watchdog reserves the right to amend its proposed budget as its expenses become more certain,

1 or in its request for final compensation. Consumer Watchdog will give notice of such  
2 modifications as soon as practicable after it discovers the need to revise its estimates, and shall  
3 comply with the budget revision requirements in the relevant intervenor regulations.

4 WHEREFORE, Consumer Watchdog respectfully requests that the Insurance  
5 Commissioner GRANT its petition for hearing and petition to intervene in the proceeding.

6  
7 DATED: July 18, 2022

8 Respectfully submitted,  
9 Harvey Rosenfield  
10 Pamela Pressley  
11 Daniel L. Sternberg  
12 Ryan Mellino  
13 CONSUMER WATCHDOG

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By: *Pamela Pressley*  
Pamela Pressley  
Attorney for CONSUMER WATCHDOG



# **EXHIBIT A**

**EXHIBIT A  
PRELIMINARY BUDGET**

**ITEMS**

**ESTIMATED COST**

1. Consumer Watchdog Attorneys and Paralegal

Pamela Pressley (Senior Staff Attorney) @ \$595 per hour, 100 hours ..... \$59,500

- Draft and edit petition for hearing and petition to intervene; supervise Consumer Watchdog counsel; oversee preparation of legal documents; confer with Consumer Watchdog counsel and outside experts regarding legal and evidentiary issues; participate in discussions with CDI and Applicant’s counsel; assist in all phases of proceeding, evidentiary hearing, and preparation of post-hearing briefing.

Daniel L. Sternberg (Staff Attorney) @ \$350 per hour, 200 hours ..... \$70,000

- Confer with Consumer Watchdog counsel and outside experts regarding legal and evidentiary issues; participate in discussions with CDI and Applicant’s counsel; participate in briefing legal issues; conduct discovery and preparation for evidentiary hearing; participate in evidentiary hearing and post-hearing legal briefing; prepare request for compensation.

Kaitlyn Gentile (Paralegal) @ \$200 per hour, 50 hours ..... \$10,000

- Draft and edit petition for hearing and petition to intervene; assist with discovery and preparation of motions and briefs; prepare request for compensation.

Harvey Rosenfield (Of Counsel) @ \$695 per hour, 15 hours ..... \$10,425

- Supervise Consumer Watchdog counsel and participate in strategy discussions.

2. Consumer Watchdog Expenses

Office expenses (photocopies, facsimile, telephone calls, postage, etc.) .....\$2,000

Travel (ground transportation; airfare; hotel) .....\$5,000

Consumer Watchdog Subtotal .....\$156,925

3. Expert Witness: AIS Risk Consultants, Inc.

Allan I. Schwartz, President of AIS Risk Consultants @ \$870 per hour, 200 hours ..... \$174,000

- Lead actuary to review all discovery documents; prepare actuarial analysis; participate in meet and confers with the parties as needed; prepare written testimony; testify and assist attorneys in preparation for cross-examination of insurers’ expert witnesses.

Katherine Tollar @ \$395 per hour, 100 hours ..... \$39,500

- Assist Mr. Schwartz in document review, rate level analysis, preparation of testimony.

1 Marianne Dwyer @ \$350 per hour, 100 hours ..... \$35,000  
2 • Assist Mr. Schwartz in document review, rate level analysis, preparation of testimony.

3 4. Travel by Mr. Schwartz

4 Ground transportation; airfare to hearing; hotel ..... \$5,000

5 AIS Risk Consultants Subtotal ..... \$253,500

6  
7 TOTAL ESTIMATED BUDGET: \$410,425

# **EXHIBIT B**

Mercury Insurance Company

Exhibit 12 - Rate Manual (Proposed)

Parameter	Level	BI	PD	UMBI	MP	COMP	COLL
Base Rate	Basic Program	182.83	146.09	47.73	1.54	66.50	199.72
Group	Group 1	162.42	121.74	39.19	0.98	66.08	191.33
Group	Group 2	181.67	119.76	39.19	1.03	58.39	166.87
Group	Group 3	161.40	124.51	35.45	0.76	59.12	158.72
Group	Group 4	172.83	146.09	36.40	1.54	66.50	199.72
Annual Miles	<=3000 Miles - Estimated	0.605	0.643	0.718	0.710	0.643	0.601
Annual Miles	3001-4000 Miles - Estimated	0.760	0.774	0.813	0.847	0.749	0.734
Annual Miles	4001-5000 Miles - Estimated	0.896	0.886	0.908	0.950	0.813	0.866
Annual Miles	5001-6000 Miles - Estimated	0.973	0.971	0.975	1.007	0.898	0.946
Annual Miles	6001-7000 Miles - Estimated	1.032	1.017	1.030	1.041	0.941	0.999
Annual Miles	7001-8000 Miles - Estimated	1.070	1.045	1.057	1.087	1.005	1.052
Annual Miles	8001-9000 Miles - Estimated	1.090	1.064	1.097	1.110	1.047	1.092
Annual Miles	9001-10000 Miles - Estimated	1.109	1.083	1.124	1.133	1.069	1.118
Annual Miles	10001-11000 Miles - Estimated	1.129	1.092	1.151	1.144	1.090	1.145
Annual Miles	11001-12000 Miles - Estimated	1.148	1.102	1.178	1.155	1.111	1.158
Annual Miles	12001-13000 Miles - Estimated	1.167	1.109	1.205	1.167	1.132	1.171
Annual Miles	13001-14000 Miles - Estimated	1.187	1.116	1.232	1.178	1.175	1.184
Annual Miles	14001-15000 Miles - Estimated	1.206	1.124	1.246	1.184	1.218	1.198
Annual Miles	15001-16000 Miles - Estimated	1.245	1.131	1.260	1.190	1.260	1.211
Annual Miles	16001-17000 Miles - Estimated	1.284	1.139	1.273	1.195	1.303	1.251
Annual Miles	17001-18000 Miles - Estimated	1.323	1.146	1.287	1.201	1.345	1.290
Annual Miles	18001-19000 Miles - Estimated	1.361	1.154	1.300	1.207	1.388	1.343
Annual Miles	19001-20000 Miles - Estimated	1.400	1.161	1.314	1.212	1.452	1.396
Annual Miles	20001-21000 Miles - Estimated	1.439	1.169	1.327	1.218	1.518	1.449
Annual Miles	21001-22000 Miles - Estimated	1.480	1.176	1.341	1.224	1.584	1.505
Annual Miles	22001-23000 Miles - Estimated	1.520	1.184	1.354	1.230	1.654	1.561
Annual Miles	23001-24000 Miles - Estimated	1.561	1.191	1.369	1.235	1.725	1.619
Annual Miles	24001-25000 Miles - Estimated	1.604	1.199	1.383	1.241	1.797	1.675
Annual Miles	25001-26000 Miles - Estimated	1.647	1.206	1.398	1.247	1.872	1.736
Annual Miles	26001-27000 Miles - Estimated	1.691	1.214	1.411	1.254	1.948	1.794
Annual Miles	27001-28000 Miles - Estimated	1.736	1.223	1.426	1.259	2.025	1.855
Annual Miles	28001-29000 Miles - Estimated	1.780	1.231	1.441	1.265	2.106	1.918
Annual Miles	29001-30000 Miles - Estimated	1.825	1.238	1.456	1.271	2.189	1.982
Annual Miles	30001-31000 Miles - Estimated	1.872	1.246	1.471	1.276	2.272	2.046
Annual Miles	31001-32000 Miles - Estimated	1.920	1.253	1.486	1.283	2.359	2.109
Annual Miles	32001-33000 Miles - Estimated	1.969	1.261	1.500	1.289	2.449	2.178
Annual Miles	33001-34000 Miles - Estimated	2.017	1.270	1.515	1.295	2.538	2.244
Annual Miles	34001-35000 Miles - Estimated	2.068	1.277	1.530	1.302	2.632	2.313
Annual Miles	>=35001 Miles - Estimated	2.118	1.285	1.546	1.307	2.728	2.385
Annual Miles	<=3000 Miles - RealDrive	0.575	0.611	0.682	0.675	0.611	0.571
Annual Miles	3001-4000 Miles - RealDrive	0.722	0.735	0.772	0.805	0.712	0.697
Annual Miles	4001-5000 Miles - RealDrive	0.851	0.842	0.863	0.903	0.772	0.823
Annual Miles	5001-6000 Miles - RealDrive	0.924	0.922	0.926	0.957	0.853	0.899
Annual Miles	6001-7000 Miles - RealDrive	0.980	0.966	0.979	0.989	0.894	0.949
Annual Miles	7001-8000 Miles - RealDrive	1.017	0.993	1.004	1.033	0.955	0.999
Annual Miles	8001-9000 Miles - RealDrive	1.036	1.011	1.042	1.055	0.995	1.037
Annual Miles	9001-10000 Miles - RealDrive	1.054	1.029	1.068	1.076	1.016	1.062
Annual Miles	10001-11000 Miles - RealDrive	1.073	1.037	1.093	1.087	1.036	1.088
Annual Miles	11001-12000 Miles - RealDrive	1.091	1.047	1.119	1.097	1.055	1.100
Annual Miles	12001-13000 Miles - RealDrive	1.109	1.054	1.145	1.109	1.075	1.112
Annual Miles	13001-14000 Miles - RealDrive	1.128	1.060	1.170	1.119	1.116	1.125
Annual Miles	14001-15000 Miles - RealDrive	1.146	1.068	1.184	1.125	1.157	1.138
Annual Miles	15001-16000 Miles - RealDrive	1.183	1.074	1.197	1.131	1.197	1.150
Annual Miles	16001-17000 Miles - RealDrive	1.220	1.082	1.209	1.135	1.238	1.188
Annual Miles	17001-18000 Miles - RealDrive	1.257	1.089	1.223	1.141	1.278	1.226
Annual Miles	18001-19000 Miles - RealDrive	1.293	1.096	1.235	1.147	1.319	1.276
Annual Miles	19001-20000 Miles - RealDrive	1.330	1.103	1.248	1.151	1.379	1.326
Annual Miles	20001-21000 Miles - RealDrive	1.367	1.111	1.261	1.157	1.442	1.377
Annual Miles	21001-22000 Miles - RealDrive	1.406	1.117	1.274	1.163	1.505	1.430
Annual Miles	22001-23000 Miles - RealDrive	1.444	1.125	1.286	1.169	1.571	1.483
Annual Miles	23001-24000 Miles - RealDrive	1.483	1.131	1.301	1.173	1.639	1.538
Annual Miles	24001-25000 Miles - RealDrive	1.524	1.139	1.314	1.179	1.707	1.591
Annual Miles	25001-26000 Miles - RealDrive	1.565	1.146	1.328	1.185	1.778	1.649
Annual Miles	26001-27000 Miles - RealDrive	1.606	1.153	1.340	1.191	1.851	1.704
Annual Miles	27001-28000 Miles - RealDrive	1.649	1.162	1.355	1.196	1.924	1.762
Annual Miles	28001-29000 Miles - RealDrive	1.691	1.169	1.369	1.202	2.001	1.822
Annual Miles	29001-30000 Miles - RealDrive	1.734	1.176	1.383	1.207	2.080	1.883
Annual Miles	30001-31000 Miles - RealDrive	1.778	1.184	1.397	1.212	2.158	1.944
Annual Miles	31001-32000 Miles - RealDrive	1.824	1.190	1.412	1.219	2.241	2.004

Mercury Insurance Company

Exhibit 12 - Rate Manual (Current)

Parameter	Level	BI	PD	UMBI	MP	COMP	COLL
Base Rate	Basic Program	150.00	164.81	35.38	2.50	36.65	202.48
Group	Group 1	146.30	148.70	30.51	1.46	33.34	183.25
Group	Group 2	141.06	153.75	31.09	1.20	28.61	184.13
Group	Group 3	132.20	147.88	28.83	0.87	28.70	169.55
Annual Miles	<=3000 Miles - Estimated	0.605	0.643	0.718	0.710	0.643	0.601
Annual Miles	3001-4000 Miles - Estimated	0.760	0.774	0.813	0.847	0.749	0.734
Annual Miles	4001-5000 Miles - Estimated	0.896	0.886	0.908	0.950	0.813	0.866
Annual Miles	5001-6000 Miles - Estimated	0.973	0.971	0.975	1.007	0.898	0.946
Annual Miles	6001-7000 Miles - Estimated	1.032	1.017	1.030	1.041	0.941	0.999
Annual Miles	7001-8000 Miles - Estimated	1.070	1.045	1.057	1.087	1.005	1.052
Annual Miles	8001-9000 Miles - Estimated	1.090	1.064	1.097	1.110	1.047	1.092
Annual Miles	9001-10000 Miles - Estimated	1.109	1.083	1.124	1.133	1.069	1.118
Annual Miles	10001-11000 Miles - Estimated	1.129	1.092	1.151	1.144	1.090	1.145
Annual Miles	11001-12000 Miles - Estimated	1.148	1.102	1.178	1.155	1.111	1.158
Annual Miles	12001-13000 Miles - Estimated	1.167	1.109	1.205	1.167	1.132	1.171
Annual Miles	13001-14000 Miles - Estimated	1.187	1.116	1.232	1.178	1.175	1.184
Annual Miles	14001-15000 Miles - Estimated	1.206	1.124	1.246	1.184	1.218	1.198
Annual Miles	15001-16000 Miles - Estimated	1.245	1.131	1.260	1.190	1.260	1.211
Annual Miles	16001-17000 Miles - Estimated	1.284	1.139	1.273	1.195	1.303	1.251
Annual Miles	17001-18000 Miles - Estimated	1.323	1.146	1.287	1.201	1.345	1.290
Annual Miles	18001-19000 Miles - Estimated	1.361	1.154	1.300	1.207	1.388	1.343
Annual Miles	19001-20000 Miles - Estimated	1.400	1.161	1.314	1.212	1.452	1.396
Annual Miles	20001-21000 Miles - Estimated	1.439	1.169	1.327	1.218	1.518	1.449
Annual Miles	21001-22000 Miles - Estimated	1.480	1.176	1.341	1.224	1.584	1.505
Annual Miles	22001-23000 Miles - Estimated	1.520	1.184	1.354	1.230	1.654	1.561
Annual Miles	23001-24000 Miles - Estimated	1.561	1.191	1.369	1.235	1.725	1.619
Annual Miles	24001-25000 Miles - Estimated	1.604	1.199	1.383	1.241	1.797	1.675
Annual Miles	25001-26000 Miles - Estimated	1.647	1.206	1.398	1.247	1.872	1.736
Annual Miles	26001-27000 Miles - Estimated	1.691	1.214	1.411	1.254	1.948	1.794
Annual Miles	27001-28000 Miles - Estimated	1.736	1.223	1.426	1.259	2.025	1.855
Annual Miles	28001-29000 Miles - Estimated	1.780	1.231	1.441	1.265	2.106	1.918
Annual Miles	29001-30000 Miles - Estimated	1.825	1.238	1.456	1.271	2.189	1.982
Annual Miles	30001-31000 Miles - Estimated	1.872	1.246	1.471	1.276	2.272	2.046
Annual Miles	31001-32000 Miles - Estimated	1.920	1.253	1.486	1.283	2.359	2.109
Annual Miles	32001-33000 Miles - Estimated	1.969	1.261	1.500	1.289	2.449	2.178
Annual Miles	33001-34000 Miles - Estimated	2.017	1.270	1.515	1.295	2.538	2.244
Annual Miles	34001-35000 Miles - Estimated	2.068	1.277	1.530	1.302	2.632	2.313
Annual Miles	>=35001 Miles - Estimated	2.118	1.285	1.546	1.307	2.728	2.385
Annual Miles	<=3000 Miles - RealDrive	0.575	0.611	0.682	0.675	0.611	0.571
Annual Miles	3001-4000 Miles - RealDrive	0.722	0.735	0.772	0.805	0.712	0.697
Annual Miles	4001-5000 Miles - RealDrive	0.851	0.842	0.863	0.903	0.772	0.823
Annual Miles	5001-6000 Miles - RealDrive	0.924	0.922	0.926	0.957	0.853	0.899
Annual Miles	6001-7000 Miles - RealDrive	0.980	0.966	0.979	0.989	0.894	0.949
Annual Miles	7001-8000 Miles - RealDrive	1.017	0.993	1.004	1.033	0.955	0.999
Annual Miles	8001-9000 Miles - RealDrive	1.036	1.011	1.042	1.055	0.995	1.037
Annual Miles	9001-10000 Miles - RealDrive	1.054	1.029	1.068	1.076	1.016	1.062
Annual Miles	10001-11000 Miles - RealDrive	1.073	1.037	1.093	1.087	1.036	1.088
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Annual Miles	13001-14000 Miles - RealDrive	1.128	1.060	1.170	1.119	1.116	1.125
Annual Miles	14001-15000 Miles - RealDrive	1.146	1.068	1.184	1.125		



MERCURY INSURANCE COMPANY  
PRIVATE PASSENGER AUTO  
CALIFORNIA

Rate Distribution

Coverage	Group	Fiscal Year Ending 2022-1 Trended On Level Earned Premium	Incurred Loss 3 AY Ending 2022-1	3 FY Ending 2022-1 On-Level Earned Premium	3 Year Loss Ratio	Claim Count	Credibility	Indicated Overall Rate Change	Rate Change Before Credibility-Weighting	Credibility-Weighted Rate Change	Rate Change Adjusted For Off-Balance	Proposed Rate Change
BI	Basic Group	369,151,265	503,481,854	1,195,815,950	42.1%	33,934	100.0%		29.9%	29.9%	29.8%	19.8%
	Group 1	10,126,170	7,467,665	22,485,469	33.2%	547	42.7%		2.4%	18.2%	18.1%	9.0%
	Group 2	34,147,908	48,911,250	109,379,582	44.7%	2,626	93.6%		37.9%	37.4%	37.3%	26.7%
	Group 3	29,540,953	39,416,193	93,394,302	42.2%	2,350	88.5%		30.2%	30.2%	30.0%	20.0%
	Group 4	8,774,248	3,493,719	9,020,520	38.7%	444	38.5%		19.5%	26.0%	25.8%	16.2%
<b>BI Total</b>		<b>451,740,543</b>	<b>602,770,681</b>	<b>1,430,095,822</b>	<b>42.1%</b>	<b>39,901</b>	<b>100.0%</b>	<b>30.0%</b>	<b>30.0%</b>	<b>30.1%</b>	<b>30.0%</b>	<b>20.0%</b>
PD	Basic Group	376,336,490	514,870,255	1,225,824,201	42.0%	114,349	100.0%		0.9%	0.9%	1.2%	-11.4%
	Group 1	9,898,379	8,409,188	22,088,886	38.1%	1,890	79.4%		-8.5%	-6.8%	-6.5%	-18.1%
	Group 2	36,779,169	43,649,203	118,254,879	36.9%	9,686	100.0%		-11.3%	-11.3%	-11.1%	-22.1%
	Group 3	31,505,767	39,743,284	99,617,807	39.9%	8,853	100.0%		-4.1%	-4.1%	-3.9%	-15.8%
	Group 4	7,886,293	6,161,417	8,193,657	75.2%	1,606	73.2%		80.7%	11.9%	12.2%	-1.8%
<b>PD Total</b>		<b>462,406,098</b>	<b>612,833,348</b>	<b>1,473,979,431</b>	<b>41.6%</b>	<b>136,384</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.4%</b>	<b>-0.1%</b>	<b>-12.5%</b>
COMP	Basic Group	75,737,792	191,015,032	240,383,384	79.5%	75,200	100.0%		119.1%	119.1%	120.5%	81.5%
	Group 1	2,351,404	4,486,663	5,114,626	87.7%	2,169	85.0%		141.9%	139.3%	140.8%	98.2%
	Group 2	5,489,888	16,551,815	18,521,063	89.4%	8,381	100.0%		146.4%	146.4%	147.9%	104.1%
	Group 3	5,208,862	14,766,848	16,369,854	90.2%	7,910	100.0%		148.7%	148.7%	150.3%	106.0%
	Group 4	1,600,636	3,106,188	1,657,154	187.4%	1,122	61.2%		416.8%	140.8%	142.3%	99.5%
<b>COMP Total</b>		<b>90,388,582</b>	<b>229,926,545</b>	<b>282,046,080</b>	<b>81.5%</b>	<b>94,782</b>	<b>100.0%</b>	<b>124.8%</b>	<b>124.8%</b>	<b>123.4%</b>	<b>124.8%</b>	<b>85.0%</b>
COLL	Basic Group	527,824,065	931,413,708	1,593,118,582	58.5%	237,214	100.0%		-2.0%	-2.0%	-1.3%	-1.4%
	Group 1	14,937,980	19,698,543	31,830,693	61.9%	4,875	100.0%		3.7%	3.7%	4.5%	4.4%
	Group 2	51,395,957	83,615,536	155,658,640	53.7%	21,676	100.0%		-10.0%	-10.0%	-9.3%	-9.4%
	Group 3	41,151,697	67,772,074	122,138,657	55.5%	19,362	100.0%		-7.0%	-7.0%	-6.3%	-6.4%
	Group 4	11,670,273	17,893,596	11,635,131	153.8%	3,384	100.0%		157.7%	8.3%	9.1%	9.0%
<b>COLL Total</b>		<b>646,979,971</b>	<b>1,120,393,457</b>	<b>1,914,381,703</b>	<b>58.5%</b>	<b>286,511</b>	<b>100.0%</b>	<b>-1.9%</b>	<b>-1.9%</b>	<b>-2.7%</b>	<b>-1.9%</b>	<b>-2.0%</b>

Coverage	Group	Fiscal Year Ending 2022-1 Trended On Level Earned Premium	Incurred Loss 6 AY Ending 2022-1	6 FY Ending 2022-1 On-Level Earned Premium	6 Year Loss Ratio	Claim Count	Credibility	Indicated Overall Rate Change	Rate Change Before Credibility-Weighting	Credibility-Weighted Rate Change	Rate Change Adjusted For Off-Balance	Proposed Rate Change
UMBI	Basic Group	106,801,379	343,725,529	673,120,788	51.1%	20,712	100.0%		78.2%	78.2%	77.4%	34.9%
	Group 1	2,880,529	4,463,473	9,941,733	44.9%	246	28.6%		56.7%	69.6%	68.9%	28.5%
	Group 2	10,582,080	31,064,870	66,387,843	46.8%	1,578	72.5%		63.3%	66.5%	65.7%	26.0%
	Group 3	8,840,607	23,668,455	53,156,008	44.5%	1,227	64.0%		55.4%	62.4%	61.7%	23.0%
	Group 4	2,155,213	385,600	2,185,272	17.6%	70	15.3%		-38.4%	57.6%	56.8%	19.3%
<b>UMBI Total</b>		<b>131,259,807</b>	<b>403,307,927</b>	<b>804,791,645</b>	<b>50.1%</b>	<b>23,833</b>	<b>100.0%</b>	<b>74.9%</b>	<b>74.9%</b>	<b>75.6%</b>	<b>74.9%</b>	<b>33.0%</b>
MP	Basic Group	11,866,564	39,505,479	73,808,015	53.5%	17,806	100.0%		-29.5%	-29.5%	-28.2%	-38.3%
	Group 1	187,727	433,342	696,843	62.2%	218	27.0%		-18.1%	-23.5%	-22.1%	-33.0%
	Group 2	634,133	3,378,900	4,134,563	81.7%	1,497	70.6%		7.6%	-2.1%	-0.2%	-14.3%
	Group 3	402,924	2,270,307	2,570,219	88.3%	1,147	61.8%		16.3%	0.3%	2.3%	-12.1%
	Group 4	75,256	400,707	76,180	526.0%	185	24.8%		592.4%	20.4%	22.7%	5.5%
<b>MP Total</b>		<b>13,166,604</b>	<b>45,988,735</b>	<b>81,285,819</b>	<b>56.6%</b>	<b>20,853</b>	<b>100.0%</b>	<b>-25.5%</b>	<b>-25.5%</b>	<b>-26.9%</b>	<b>-25.5%</b>	<b>-36.0%</b>

Group 1:  
Mercury Employees  
CA Medical Association  
CPA  
Government Employees  
Public Safety Professionals  
Bank of America  
Pilots

Group 2:  
Scientist/Engineer

Group 3:  
Educator

Group 4:  
AAA  
Costco/Sam's Club

MERCURY INSURANCE COMPANY

**College means** an academic college and does not include trade or vocational schools.

**Full time means** enrollment in 12 or more units of study for an undergraduate student and 8 or more units as a graduate student. At least  $\frac{3}{4}$  of these units must be taken in courses where grades are assigned.

Evidence of **full time student status** in the form of a fee bill or U-109 completed by the school registrar must be submitted within 15 days of the request.

Evidence of **good student status** in the form of a grade report card, U-13 completed by a school official, progress report, evidence that the student is in the upper 20% of the class, or is on the Honor Roll or Dean's List must accompany the request for the discount. Please provide the school seal on the U-13 or a phone number of the school official signing it. Grades obtained from the Internet may be acceptable proof with a phone number of a school official who can verify the grades.

**D. MATURE DRIVER**

A 5% reduction in the BI/PD and Comprehensive premiums is available for Principal drivers age 55 and over who have:

1. Received a driver improvement course certificate from a DMV certified school; and
2. Had no at fault accidents or traffic convictions since completing the course.

A copy of the certificate must be submitted with the application. The discount applies for up to 3 years from the completion date of the driver improvement course.

**E. MULTI POLICY DISCOUNT**

A Multi Policy Discount is available for insureds that have a Homeowner, Condominium or Tenants policy with the Company. To qualify the Agent must provide the HO or PK policy number with the request for the discount.

**F. GROUP DISCOUNTS** – Documentation supporting these discounts must accompany the application. All vehicles on the policy (except trailers) including 07(X) vehicles will qualify. If submitted at a later date, the discount will be effective when received by the Company or Agent.

**Group 1**

**A. California Medical Association**

A reduction in BIPD, UMBI, Medical, Comprehensive and Collision premiums is available if an insured is a member of the California Medical Association.

**B. Mercury Insurance Employees**

A reduction in BIPD, UMBI, Medical, Comprehensive and Collision premiums is available if an insured is an employee of Mercury Insurance Services, LLC, and Affiliated Companies.

**C. Cal CPA**

A reduction in BIPD, UMBI, Medical, Comprehensive, and Collision premiums is available if an insured is a member of the California Society of Certified Public Accountants. Note, Group 2007 will be assigned if this discount is added mid-term or at renewal.

**D. Government Employees**

A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a professional Federal or State of California government employee in an administrative or technical position.

***E. Public Safety Professionals***

A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a member of one of the Public Safety Professional groups defined below.

Law Enforcement – Must be employed as a full-time law enforcement officer at the local, state, or federal level.

Firefighters – Must be employed as a full-time firefighter for a state or local fire department located with the state of California. Volunteer firefighters are not eligible.

Paramedics/EMT – Must have a current EMT-1, EMT-IL, EMT-P certificate from the state of California.

~~***F. AAA***~~

~~A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a member of the American Automobile Association (AAA).~~

~~***FG. Bank of America***~~

~~A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is an employee of Bank of America.~~

~~***H. Costco/Sam’s Club***~~

~~A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a member of Costco or Sam’s Club.~~

***GI. Pilots***

A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a pilot. Must have a current airmen certificate issued by the Federal Aviation Administration. All certificate classes apply except student certificates.

***Group 2***

***A. Scientists and Engineers***

A reduction in the BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if an insured is a member of one of the professional groups listed.

Engineer - The driver must have a Bachelor’s degree (or higher degree) or be licensed as an engineer in one of the following fields of engineering or any other engineering field:

Aeronautical	Chemical	Mechanical
Aerospace	Civil	Nuclear
Architectural	Electrical	Petroleum
	Gas	Structural

Scientist - The driver must have a Bachelor’s degree (or higher degree) in one of the following physical sciences:

Astronomy	Cybernetics	Mathematics
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MERCURY INSURANCE COMPANY

Biochemistry	Geology	Meteorology
Biology	Geophysics	Physics
Chemistry	Information Systems	Planetary Systems
Computer Science		

**Group 3**

***A. Educators***

A reduction in the BIPD, UMBI, Medical, Comprehensive and Collision premiums is available if an insured is credentialed as a teacher or educational administrator and holds a “Clear”, “Professional Clear”, “Life”, “Preliminary”, “Temporary” or “Emergency” designation or is employed full-time as a teacher or professor.

**Group 4**

**A. AAA**

A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a member of the American Automobile Association (AAA).

**B. Costco/Sam’s Club**

A reduction in BI, PD, UMBI, Medical, Comprehensive and Collision premiums is available if the insured is a member of Costco or Sam’s Club.

**G. ANTI-THEFT DISCOUNTS** – Documentation supporting the discount for a Lo Jack, Tele Trac or similar type device must accompany the application.

**H. REALDRIVE**

A reduction in BIPD, UMBI, Medical, Comprehensive, and Collision premiums is available for insureds that consent to participate in the RealDrive program. The program is offered at a Policy Level and the rating is applied at the Vehicle Level. All eligible vehicles must participate in the program in order to qualify and continue in the program. The RealDrive program premium adjustment is based on one of the following factors:

**1. RealDrive Enrollment Factor**

- The RealDrive Enrollment Factor will be applicable until the actual calculated annual mileage can be determined.

**2. RealDrive Factor**

- The RealDrive Factor shall be based on the calculated annual mileage factor from the rate manual.

Historical odometer readings will be used to determine the verified annual mileage used to rate the vehicles on the policy. All vehicles will be subject to attempts to collect the necessary odometer readings to calculate the verified mileage. Odometer readings will be collected at New Business and

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**PROOF OF SERVICE**  
**BY OVERNIGHT OR U.S. MAIL, FAX TRANSMISSION,**  
**EMAIL TRANSMISSION AND/OR PERSONAL SERVICE**

**State of California, City of Los Angeles, County of Los Angeles**

I am employed in the City and County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 6330 South San Vicente Boulevard, Suite 250, Los Angeles, California 90048, and I am employed in the city and county where this service is occurring.

On July 18, 2022, I caused service of true and correct copies of the document entitled

**CONSUMER WATCHDOG'S PETITION FOR HEARING, PETITION TO INTERVENE,  
AND NOTICE OF INTENT TO SEEK COMPENSATION**

upon the persons named in the attached service list, in the following manner:

1. If marked FAX SERVICE, by facsimile transmission this date to the FAX number stated to the person(s) named.
2. If marked EMAIL, by electronic mail transmission this date to the email address stated.
3. If marked U.S. MAIL or OVERNIGHT or HAND DELIVERED, by placing this date for collection for regular or overnight mailing true copies of the within document in sealed envelopes, addressed to each of the persons so listed. I am readily familiar with the regular practice of collection and processing of correspondence for mailing of U.S. Mail and for sending of Overnight mail. If mailed by U.S. Mail, these envelopes would be deposited this day in the ordinary course of business with the U.S. Postal Service. If mailed Overnight, these envelopes would be deposited this day in a box or other facility regularly maintained by the express service carrier, or delivered this day to an authorized courier or driver authorized by the express service carrier to receive documents, in the ordinary course of business, fully prepaid.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 18, 2022 at Los Angeles, California.

  
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Kaitlyn Gentile

## Service List

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Alec Stone  
Assistant Chief Counsel  
Rate Enforcement Bureau  
**California Department of Insurance**  
1901 Harrison Street, 4th Floor  
Oakland, CA 94612  
Tel. (415) 538-4111  
Fax (510) 238-7830  
Alec.Stone@insurance.ca.gov

- FAX
- U.S. MAIL
- OVERNIGHT MAIL
- HAND DELIVERED
- EMAIL

Jamie Katz  
Public Advisor  
Rate Enforcement Bureau  
**California Department of Insurance**  
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Fax (510) 238-7830  
Jamie.Katz@insurance.ca.gov

- FAX
- U.S. MAIL
- OVERNIGHT MAIL
- HAND DELIVERED
- EMAIL

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- FAX
- U.S. MAIL
- OVERNIGHT MAIL
- HAND DELIVERED
- EMAIL