

California's Low Cost Automobile Insurance Program
Sponsored by the California Department of Insurance

2022 Report To The Legislature & Consumer Education And Outreach Plan

Prepared for the California State Legislature
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California Low Cost Automobile Insurance Program's Hotline: 1-866-602-8861

California Department of Insurance: 1-800-927-4357 (HELP)

Website: www.mylowcostauto.com

Facebook: www.facebook.com/mylowcostauto

Twitter: www.twitter.com/CALowCostAuto

Table Of Contents

Executive Summary.....	3
The Program.....	5
Funding For Program Outreach	8
Summary Of 2021 Activities.....	9
The Rates.....	14
2022 Outreach And Advertising Plan	15
California Automobile Assigned Risk Plan (CAARP)	17
Determination Of Success.....	18
Statutory Revisions	18
Impediments To Success.....	19
Conclusion.....	19

Executive Summary

California's Low Cost Auto Insurance Program (CLCA) continues to be an important resource for qualifying licensed California drivers seeking affordable auto insurance in order to meet financial responsibility laws.

CLCA went into effect in 2000 and has provided auto insurance coverage for more than 186,908 California drivers since its inception. At the end of 2021 there were 17,908 active policies, 13,093 cancelled policies, and 8,029 renewed policies. In addition, statistics from the California Automotive Assigned Risk Plan (CAARP) indicate that approximately 89% of applications assigned were from uninsured motorists at the time of their CLCA policy application.

Since its inception, the program has continued to evolve through legislative changes to better meet the needs of California drivers, allowing more Californians to participate. Effective January 1, 2015, Assembly Bill 60 (Alejo, Chapter 524, Statutes of 2013), authorized undocumented immigrants to obtain driver's licenses. Also in 2015, Senate Bill (SB) 1273 (Lara, Chapter 487, Statutes of 2014) allowed drivers with fewer than three years of driving history to participate in the program; expanded vehicle value limits from \$20,000 to \$25,000; and offered premium payment options. In 2020, SB 570 (Rubio, Chapter 274, Statutes of 2019) extended the CLCA program repeal date to January 1, 2025, eliminated gender distinction in rate surcharge, allowed for students claimed as dependents to purchase a plan in the program, and extended the annual eligibility recertification to three years.

The program has proactively addressed the challenges posed by the Covid-19 pandemic. At the request of Insurance Commissioner Ricardo Lara, premium credits were authorized by the CAARP Advisory Board in three phases during the first year of the pandemic. Phase 1 consisted of 30% premium credit for March to May of 2020; Phase 2 was a 15% premium refund/credit for June and July of 2020; and Phase 3 August and September of 2020 for a 20% premium refund/credit. In 2021, a 10% premium refund/credit resulting in \$703,398.32 was issued for January to September 2021 affecting 31,675 policies. This was a combined total of \$1,785,583.77 for 2020 and 2021 of consumer pandemic premium refund/credit.

During 2021, the California Department of Insurance (CDI) and CAARP have made the following changes to the program:

- Updated and simplified website with security protocols in August 2021; website had not been updated since 2019.
- Developed a shorter and simpler eligibility questionnaire.
- Defined "business driving" exclusion - allowing more occupations to be accepted including housekeeping, home health care, and temporary workers.
- Simplified "Household" rule - all vehicles in household do not need to be enrolled in CLCA - just all cars registered to the applicant.

In order to leverage website enhancements and maximize visibility for the program, CLCA's marketing and outreach efforts relaunched in 2021 with communication materials focused on California's underserved communities. Through a combination of close collaboration with community-based non-profit organizations and new advertising materials, CLCA is responding to the need for affordable auto insurance coverage.

The Program

Pursuant to Vehicle Code Section 16020 California law requires all drivers of vehicles within the State maintain evidence of financial responsibility.

California's Low Cost Automobile Insurance Program (CLCA) was established by the Legislature in 1999 and exists pursuant to California Insurance Code Section 11629.7 as a program designed to provide income eligible persons with auto liability insurance at affordable rates as a way to meet California's financial responsibility laws.

The CLCA Program began operation in 2000 as a pilot program for the counties of Los Angeles and San Francisco. This program remained as a pilot program for those counties until April 2006 when the Legislature authorized expansion of the program into all 58 counties of the State as deemed necessary by the California Insurance Commissioner.

Eligibility requirements

To be eligible for California's Low Cost Auto Insurance Program, or CLCA, consumers must:

- Have a valid California driver's license
- Own a vehicle valued at \$25,000 or less
- Meet income eligibility guidelines
- Be at least 16 years of age
- Have a good driving record

Income eligibility requirements per household ("household" is defined as all persons listed on a federal or state income tax form) effective 2020 are:

- | | |
|------------|-------------|
| • 1 person | \$32,200.00 |
| • 2 people | \$43,550.00 |
| • 3 people | \$54,900.00 |
| • 4 people | \$66,250.00 |
| • 5 people | \$77,600.00 |

The applicant must provide proof of household income and/or proof of supplemental statewide or federal assistance program enrollment, which may include: CalFresh, CalWORKS, California Lifeline, LIHEAP (Low Income Home Energy Assistance), Medi-Cal/Medicaid, State of CA Employment Development Department (EDD), Supplemental Security Income (SSI), Social Security/pension, tax returns, W-2 form, 1099 form, or payroll stub.

The policy

California Insurance Code Section 11629.745 provides that an agent or broker (producer) shall inform every prospective automobile insurance policyholder of the existence of the CLCA program when an applicant inquires about a policy for minimum limits. If the consumer qualifies for the policy and wishes to purchase the policy, the producer is required to submit the application and supporting documentation into the California Automobile Assigned Risk Plan (CAARP) for issuance of the policy. If the producer is not certified by CAARP, the producer is required to provide the toll-free telephone number for CAARP as an option for coverage.

The program provides affordable, liability-only auto insurance that meets the state's financial responsibility laws as outlined in California Insurance Code Section 11629.71. The policy limits are as follows:

- CLCA Basic Liability Policy limits:
 - **\$10,000** bodily injury or death per person
 - **\$20,000** bodily injury or death per accident
 - **\$3,000** property damage liability per accident

- In 2021, consumers could have added more coverage for an additional charge of \$39-\$104 per year:
 - **\$1,000** medical payments per person
 - **\$10,000** uninsured motorist bodily injury per person
 - **\$20,000** uninsured motorist bodily injury per accident
- The program does not offer comprehensive or collision coverage (coverage that will repair the driver's own vehicle after an accident) but this coverage can be purchased from an insurance agent in addition to the CLCA policy.
- As stated above, Uninsured motorist coverage is available to consumers at an additional premium charge.
- The policy has an initial term of one year and is renewable on an annual basis thereafter.
- The policy covers the person named in the policy (named insured), and any other operator of the automobile, provided the use is permissive and consistent with the scope of the permission granted to the user. However, the policy contains an exception to members of the named insured's household who do not satisfy the eligibility requirements of California Insurance Code Section 11629.73.
- CLCA policies are issued by insurance companies holding certificates of authority issued by the California Department of Insurance (CDI).

Application Process

Consumers can apply for CLCA online at the mylowcostauto.com website, call toll free 866-602-8861, or find a nearby insurance agent/broker. Once the consumer submits their application, a representative (or their insurance agent) will confirm all information and obtain the proof of income. Once payment is processed online or over the phone, the consumer will e-sign the documents, a temporary insurance card will be issued representing the consumer's proof of insurance. Within 45 days an insurance carrier will be assigned to manage the policy.

The insurance carrier assigned in 2021 was either State Farm or one of the two limited assignment distribution insurance carriers: 21st Century Insurance Company or Integon Insurance Company. Within 45 days, the insurer will contact the consumer and send them an Insurance Declaration Page and an additional insurance card. The assignment period is for 36 consecutive months but if the consumer wishes to continue with their CLCA policy they must complete a renewal questionnaire and return it to the insurance carrier on an annual basis.

Funding For Program Outreach

California's Low Cost Auto Insurance Program informs consumers about the program and is funded by a \$.05 special purpose assessment on each vehicle insured in the state.

Estimated funding for 2022 is up to \$1.2 million. The use of the funding is as follows:

Estimated Funding For 2022:	Budget
Marketing and Advertising	\$1,110,000.00
Materials Development and Production	\$90,000.00
Total Budget 2022	\$1,200,000.00

Summary Of 2021 Activities

In 2021, the Department of Insurance worked with Sherpa Marketing Solutions on the development and implementation of marketing and advertising efforts in targeted, local communities across the state.

The scope of work included partnerships with community-based non-profit organizations, development of collateral materials more attuned to our diverse communities, targeted media support, and development of diverse communication materials. In addition, CDI implemented, for the first time, best-practices webinars with community groups and CLCA Certified Producers designed to share program updates and maximize program visibility.

Year two of the worldwide pandemic has had a significant impact on outreach efforts on behalf of the CLCA Insurance Program. Many consumers are unemployed, not driving as much, and have to contend with strained household budgets. Also, with highly infectious strains of COVID-19 like the Delta and Omicron variants, many people were cautious of leaving their homes and attending community events.

Partner engagement with community-based non-profit organizations

As a result of pandemic-related restrictions, the CDI outreach team led a combination of virtual and in-person events working directly with community groups in the implementation of grassroots outreach efforts. Working directly with CDI staff gave community groups and consumers the opportunity to engage on a one-on-one basis with the department. In addition, CDI staff was able to answer questions on the CLCA program and provide access to additional department resources.

One of the most innovative approaches that the CLCA Insurance Program took in 2021 was one-time contracting with 22 established community-based nonprofit organizations in highly targeted, culturally diverse underserved areas and hard-to-reach populations as determined by the Commissioner's Report on Underserved Communities that helped extend program awareness and participation. These community-based nonprofit organizations are considered trusted messengers within their communities and are charged with promoting the CLCA program via social media, in-person and virtual actions and events, resource pages, and newsletters, among other strategies. Coordination with outreach staff ensured that projects were completed on time and in accordance with the contract agreement. This one-time approach was modeled after the successful California Earned Income Tax Credit (CalEITC+) program's annual tax credit education and outreach grant initiative administered by the California Department of Community Services and Development (CSD) in partnership with the California Franchise Tax Board. CSD annually partners with many established community-based organizations across the state to help spread the message about refundable tax credits and free tax filing assistance to income-eligible families and culturally diverse, hard-to-reach populations.

The trusted messenger strategy has provided the opportunity to distribute the CLCA program materials throughout the diverse communities of California from the farmlands of the Coachella Valley to the Hmong communities of Sacramento and wellness clinics in

South Central Los Angeles. The targeted outreach created by our trusted messengers has resulted in distribution of CLCA materials incorporated into back to school backpack giveaways, food bank distribution programs, flu and COVID-19 vaccination clinics and other community-based essential-resource distribution events where there would be a high likelihood of overlap with potential CLCA policyholders.

In addition, virtual initiatives also included collaboration with local Mexican Consulates and farmworker organizations, providing opportunities for CDI outreach spokespersons to share Spanish-language information regarding auto insurance requirements and resources available through the Department of Insurance.

The department also extended its participation to pandemic-related community support programs, including pandemic-related home deliveries of essential supplies and donation services throughout the state.

2021 outreach efforts began virtually via Zoom and Microsoft Teams meetings and then gradually opened up to in-person socially distant events during Summer 2021. By fall, in-person events were discontinued due to the highly contagious Omicron variant. By the end of 2021, new partnerships were established with community groups that expanded reach to eligible consumers via website presence, social media posts, as well as educational webinars.

Outreach Activities

- Community Partners 2,345
- Virtual & Live Events 155
- Educational Materials Distributed 80,000

Expansion of DMV Partnership

In 2021, CLCA expanded its partnership with the Department of Motor Vehicles (DMV). Through this partnership, the DMV committed to sharing bilingual window clings in 2,800 DMV windows across the state in 2022. Due to the pandemic, the DMV adopted a “wait in car” protocol where consumers would wait in their cars before entering a DMV branch so CLCA outreach was modified to a digital platform where consumers could learn about the CLCA program via social media websites and the DMV website. As consumers wait in their cars, they will see CLCA’s digital marketing on their social media. Additional collaboration with the DMV includes CLCA mentions in the DMV website and in printed educational materials.

Educational materials

With ever-changing demographics across the state, the CLCA program has been intentional about creating educational materials that meet the needs of our diverse communities. New materials have been updated to be more user friendly and remind consumers that if they qualify for state and county benefits they may qualify for the CLCA program.

All educational materials now have QR codes that can be scanned with cell phones leading consumers to the mylowcostauto.com website, helping to keep individuals socially-distanced and providing the option to apply through their mobile devices at their convenience.

Educational materials are available for distribution at no cost to community groups and public agencies and may be ordered at mylowcostauto.com. Materials are also distributed by CDI outreach personnel at community events across the state.

Advertising support

One of the primary distinctions of CLCA is its association with the State of California, an important differentiation from other insurers in the market. CLCA is promoted as an affordable auto insurance option designed to help consumers drive legally and responsibly.

Under the leadership of CLCA management and leveraging Sherpa Marketing Solutions' 20+ years of experience conducting outreach to underserved communities, new and highly focused advertising materials were designed to create awareness for CLCA among uninsured motorists in the 145 zip codes established as underserved communities by the Department. Digital and video content now reflect the target audience, taking into account cultural, financial and technological barriers that may impede the consumer's ability to apply to the program.

The result of these efforts led to the production of digital and video content that reflects audience information needs in a manner that is respectful and understands consumer needs and constraints.

Most importantly, all CLCA communications were revamped to reflect the composition of the geography and data identified by the Department of Insurance and CAARP as underserved communities. CLCA ads now reflect the African American, LatinX/Hispanic, and Asian American populations most prevalent within the 145 targeted Zip Codes.

Digital support

With the relaunch of the CLCA website in Q3 2021, digital support has maintained a sustained presence generating awareness of the CLCA program and expanding outreach to diverse communities. Specific strategies used in the second half of 2021 are detailed below.

Digital media

Digital media offered the most efficient vehicle to narrowly target CLCA audiences within the designed geographies. Digital media is constantly fine-tuning audience reach through click-through analysis, resulting in generating awareness and consideration for CLCA not available outside of far more expensive broadcast radio and television alternatives. The marketing team delivered over 4 million impressions (views) through digital platforms such as Facebook and Instagram.

Digital advertising tactics included:

- Placement of Facebook and Instagram awareness and lead generation campaigns, continuously optimized to reach our audience cost-effectively.
- Geo-specific advertising presence in the underserved Zip Codes identified by the Commissioner, also optimized with best-performing ads.
- Placement of Spanish-language executions, served to consumers that have selected Spanish-language settings in their social media feeds.

Development of CLCA videos

The CDI Outreach Team has distributed our new CLCA :15, :30, and :90-second Public Service Announcement (PSA) videos in English and Spanish. These PSA videos have been shared with our community-based partners and can be uploaded to all forms of digital platforms including, but not limited to Facebook, Instagram, and YouTube as well as embedded into e-Newsletters. These videos have been used at in-person and virtual community meetings. In addition, the CDI Outreach Team commissioned the development of a :30-second video in the Hmong language to introduce the CLCA program to this historically underserved community.

Social media

Social media strategy has focused on compelling and relevant social media messages. Social media efforts reflect consumers and key message points:

- Affordable auto insurance that fits your budget.
- Assembly Bill 60 license eligible.
- Drive with confidence because you have the auto insurance coverage you need.

Launch of underserved community campaign

At the request of the California Auto Assigned Risk Board (CAARP), a campaign featuring African American consumers, a historically underserved community, was launched in 2021.

In addition to digital support in CLCA's social media platforms, the campaign featured advertising presence with the Los Angeles Sentinel, one of the largest publications targeting African American consumers in California.

Community recognition

CLCA administration recognizes that in order to achieve success in the community the program must reflect themes of importance. CLCA social media joins in community celebrations including holidays and milestones helping to reflect CLCA's commitment to the diverse individuals that make up this great state.

Certified Producers engagement

The CDI team focused their efforts in support of Certified Producers helping to ensure continued engagement with CLCA, and also supporting Producers' presence in their communities.

The CDI team hosted a Re-Launch Webinar designed to inform Producers of updates and enhancements to CLCA including website updates, new regulatory standards, new collateral materials, social media campaigns, and the new radio and outdoor advertising programs coming in 2022. Producers were provided with a resource toolkit including social media ads and educational materials suitable for distribution at community events.

CLCA producer quarterly newsletter

The response from the Certified Producers was so positive that a quarterly e-newsletter has been developed in order to keep producers informed and provide them with tools and consumer insights to enhance their outreach efforts.

Additional advertising presence

CDI secured a print and online ad in the Armed Forces Day Military Guide which was distributed aboard all Southern California military installations, welcome centers, and delivered to all military housing communities. This reached about 75,000 potential consumers.

2021 Outreach summary:

2021	COLLATERAL MATERIALS	PRESENTATIONS/ VIEWS	SOCIAL MEDIA (IMPRESSIONS)
Quarter 1 (Jan-Mar)	20,000	13 events/812 views	N/A*
Quarter 2 (April-June)	15,000/75,000 Prints via Military Guide Armed Forces Day	23 events	460,000
Quarter 3 (July-Sept)	15,000 25,200 Vendor CBO/nonprofits	46 events	742,740
Quarter 4 (Oct-Dec)	19,176	24 events	2,855,005
TOTALS	169,376	106 events	4,057,745

**Social media program launched in April 2021*

The Rates

California Insurance Code section 11629.72 provides that rates for CLCA policies shall be reviewed and revised annually. The California Assigned Automobile Risk Program (CAARP) board shall submit the loss and expense data, with a proposed rate and surcharge for the program, to the Insurance Commissioner for approval.

The rates are required to be sufficient to cover losses incurred and expenses, including, but not limited to, costs of administration, underwriting, taxes, commissions, and claims adjusting. The term “losses incurred” means claims paid, claims incurred and reported, and claims incurred, but not yet reported.

The rates are required to be set to result in no projected subsidy of the program by policyholders of insurers issuing policies under the program who are not participants in the program.

In addition, the rates are required to be set with respect to the program to result in no projected subsidy by policyholders in one county of policyholders in any of the other counties.

As required by California Insurance Code Section 11629.85(c)(5), the rates for each county for calendar years 2021 and 2022 are shown on the subsequent pages.

Rates for 2020 and 2021 include a 30% surcharge for unmarried persons 19-24 years old, a 40% surcharge for drivers with less than three years of verifiable driving history; and a 100% surcharge for policy owners or operators 16-18 years old.

2022 Outreach And Advertising Plan

The 2022 Outreach and Advertising plan will continue to build on communication platforms developed in 2021. The California Department of Insurance's (CDI) goal through this campaign will continue to focus on generating visibility for CLCA and decrease the overall number of uninsured motorists in the state.

The CLCA program will continue to educate consumers through CDI's Outreach Team and provide a direct link to the Department for consumer resources. The CDI Outreach Team will continue its focus on partnerships with legislative district offices, local governments, education and community-based nonprofit organizations to create grassroots awareness of the program.

The expected outreach and advertising goals during 2022 include:

1. Increase the number of uninsured drivers enrolled in the CLCA program;
2. Increase awareness of CLCA through targeted media and outreach campaigns;
3. Maintain and update a consumer-friendly website;
4. Develop local and statewide trusted messenger partnerships to increase outreach and education capacity and extend interface that will ultimately reach larger numbers of low-income and hard-to-reach communities;
5. Optimize social media and direct marketing and advertising opportunities through partnerships with Federal, State, County and Local City legislative offices and community-based organizations; and
6. Enhance partnerships with key state government agencies to increase opportunities for cross functional collaborations.

Radio and community-based advertising campaign

2022 will be an exciting time with expanded advertising efforts in support of CLCA. A review of media usage and consumption information identified the opportunity to expand CLCA awareness through the use of radio ads and community presence for CLCA.

The majority of the underserved communities identified by CDI will be reached through radio support that will cover four high population areas across the state; Central Valley, Sacramento, San Diego, and Los Angeles (signal can also be heard in San Bernardino and Riverside Counties). Most underserved communities identified by CDI are within the footprint of this radio campaign. Advertisements are expected to start in April and run through September airing for 20 weeks in English- and Spanish-language radio stations.

A community-based advertising campaign will feature CLCA posters and signage at 162 laundromats located within the targeted underserved communities identified by CDI. The community campaign will have its own QR codes to determine the efficacy of the

campaign. As a result of these initiatives, CLCA may garner more than 7.5 million impressions over 10 months.

Ongoing support for community organizations

The program will continue to develop organic social media posts focusing on tax season, a new Certified Producers e-newsletter, and ongoing support for our community-based nonprofit partners by helping to create targeted materials for different projects.

Marketing, communications, and outreach programs

CDI will also develop and execute an integrated marketing, communications and community engagement effort designed to increase the number of consumers aware of the CLCA Program. This effort will include, but not be limited to, regional, in-language and culturally-specific outreach, marketing and communications campaigns throughout the state. Digital and social media plans will be developed with complementary earned media outreach.

California Automobile Assigned Risk Plan (CAARP)

Pursuant to California Insurance Code Section 11629.81, the reporting requirements of the California Automobile Assigned Risk Plan to the Legislature have been combined with the CDI Report to the Legislature.

The CLCA program has been administered by the California Automobile Assigned Risk Plan (CAARP) since inception in 2000. CLCA applications are assigned to insurance companies from CAARP's administrative office in Oakland. Applications are submitted by licensed fire and casualty agents or producers who are certified with CAARP to write the CLCA Program. Certification requires completion of training, which is provided online, and verification of valid licensure. There are approximately 1,334 CAARP certified producers as of February 22, 2022; of those, approximately 183 are lead accepting producers.

CAARP supports this insurance program with customer service, monitoring certified producer compliance, and processing applications for assignment. This includes responding to email and phone inquiries from consumers, producers, and insurance carriers. CAARP, working with the Advisory Committee and CDI, monitors CLCA plan rules and develops rate proposals for the Commissioner's consideration, pursuant to California Insurance Code Section 11629.72.

CAARP collects and maintains data about the CLCA program. This includes information about applicants, issues of eligibility, certified producers, and the number of assigned applications.

During 2021, CAARP prepared amendments for approval by the Office of Administrative Law (OAL).

The following proposed amendments are pending approval by OAL:

1. Changes the method of payment to the producer of record for commercial risks to be based on premium received by company for policies effective March 1, 2023, and later.
2. The Annual Meeting Quorum has been revised to only include insurers present and represented by proxy.
3. Housekeeping amendments adopted for low cost were also approved for private passenger.
4. Commission changes were adopted to streamline the way commission is paid by all insurers.

Determination Of Success

CDI has determined that California's Low Cost Automobile Insurance program addressed and achieved each of the success measures specified in California Insurance Code section 11629.85.

Rates were sufficient to meet statutory rate-setting standards

California Insurance Code Section 11629.72 provides that CLCA program rates be sufficient to cover losses and expenses incurred by policies issued under the program. Rate-setting standards also require rates to be set to result in no projected subsidy of the program or subsidy of policyholders in one county by policyholders in any other county.

Consistent with these requirements, program rates in 2021 generated sufficient premiums to cover losses and expenses incurred by CLCA policies. In 2021, the program issued claim payments in the amount of \$4,000,000.

Program served underserved communities

Statistics show the program continues to serve and benefit underserved communities across California. Household incomes of all policyholders do not exceed established 250% of the federal poverty limit. In 2021, CAARP statistics show approximately 79% of policies issued were to applicants whose household income was at or below \$20,000 per year. Also, while an applicant's vehicle at the time of application cannot exceed a value of \$25,000, the predominant vehicle value for policies issued in 2021 was less than \$5,000.

Applications assigned in 2021 totaled 10,513 with a total of 17,908 active policies in force, compared to 2020 in force policies of 21,414. This downward trend is coupled by a global pandemic, voluntary market becoming more competitive, and a CLCA carrier who uncovered a reporting error. The carrier over-reported 2020's in force policy numbers by about 11%, therefore the CLCA in force policies are down by 2,000 consumers in 2021.

CLCA program offered access to previously uninsured motorists, thus reducing the number of uninsured drivers

Statistics compiled by CAARP show that in 2020, 89% of applications assigned to the program came from applicants who were uninsured at the time of application. Since the inception of the CLCA program, more than 155,000 formerly uninsured drivers have been or are currently insured through the CLCA program.

Statutory Revisions

During 2022, CDI will continue to monitor participation in the CLCA program against established California Code laws and CAARP Plan Guidelines to determine the need for statutory revisions during the 2022 Legislative session.

Impediments To Success

Program staff members view the following as impediments to greater CLCA success.

Pandemic

The global pandemic has created hardships for everyone, including the CLCA program. Community events came to a screeching halt, making it increasingly more difficult to reach underserved communities. Even with community events beginning to open up consumers remain hesitant as they are very concerned for their safety. Creating a stronger virtual presence with Zoom and Microsoft Team meetings, organic posts and advertisements on social media is not enough, since not all eligible program participants have access to these services. The CLCA program will continue to monitor quarterly analytics to see which post/ads are most effective as well as community events.

In creating the pandemic virtual events we realized that many potential participants have never heard about the CLCA program. Our outreach partners have confirmed the CLCA program has a long way to go before it creates solid footing in the community. With our new community partnership we will focus on the development and implementation of a robust outreach and advertising plan.

Eligibility criteria

In 2021, approximately 37,150 Californians expressed interest in the CLCA program by completing the Eligibility Quiz on the mylowcostauto.com website, of which 4,409 were deemed non-eligible. In other words, 88% of those who sought out the program were eligible to participate. In addition, over 10% of potential CLCA consumers did not finish their application process due to lack of complete documentation required for the program. Although the program has created steps to help consumers self-assess their income, submitting documentation is a significant barrier.

Inflation

Inflation and residual problems of the pandemic have caused problems for consumers meeting the threshold of income guidelines. Although consumers may be earning more, their income is not enough to cover all expenses, yet they are not able to qualify for the program, although they need it now more than ever.

Expansion beyond liability coverage

Many consumers purchase vehicles using car loans, and most auto loans require car insurance that covers physical damage to the consumer's vehicle, which is not available for purchase through the CLCA program. Therefore income eligible consumers cannot participate in CLCA due to the program's focus on liability-only insurance.

Conclusion

The CLCA program successfully accomplished all requirements outlined by statutes and continues to track the program's analytics while being responsive to emerging challenges and opportunities. CDI will continue to work aggressively in 2022 to spread awareness of

the CLCA program and will continue to advocate for greater accessibility on behalf of low-income eligible motorists.