

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

# **2024 Report to the Legislature & Consumer Education and Outreach Plan**

Prepared for the California State Legislature March 15, 2024, as required by Insurance  
Code Section 11629.85.

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](http://www.mylowcostauto.com)  
Facebook: [www.facebook.com/mylowcostauto](https://www.facebook.com/mylowcostauto)  
X: [www.twitter.com/CALowCostAuto](https://www.twitter.com/CALowCostAuto)

# Table of Contents

Executive Summary .....	3
The Program .....	5
California Automobile Assigned Risk Plan (CAARP).....	7
The Policy .....	8
The Rates.....	9
Application Process.....	10
Summary of 2023 Activities.....	11
Partnerships .....	12
Determination of Success .....	21
Statutory Revisions .....	22
Funding for Program Outreach.....	23
Outreach and Advertising Plan.....	24
Impediments to Success .....	26
Conclusion .....	27

# Executive Summary

The California Low-Cost Auto Insurance (CLCA) program is a state-sponsored program that makes auto insurance affordable for everyone. It was designed to provide income-eligible drivers with affordable rates to meet California’s mandatory auto insurance law.

CLCA went into effect in 2000 and has provided auto insurance coverage to more than 226,577 California drivers since its inception. In the year 2023, there were a total of 21,157 new applications assigned, 14,576 canceled policies, 6,126 renewed policies, and 918 policies reinstated. At the end of 2023, there were 29,988 active policies. This is an increase of 83 percent since 2022. According to the California Assigned Risk Plan (CAARP), approximately 73% of applications assigned were from uninsured motorists at the time of their CLCA policy application.

As insurance premiums continue to increase to untenable levels across the state, more drivers are searching for affordable insurance. In 2023, there were 219,418 first-time visits to the CLCA website compared to 82,935 first-time visits in 2022, which shows an increase of 165 percent.

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. In 2023, AB 917 (Ortega, Chapter 350, Statutes of 2023) made the CLCA program permanent under California law, eliminating the January 1, 2025 sunset date and requiring the California Department of Insurance (CDI) to submit a report to the Legislature on or before March 15, 2024, March 15, 2025, and March 15, 2026, and every 5 years thereafter.

## California Low Cost Auto Insurance 2023 Overview Report

- Unique Website Visits:
  - 2022: 82,935
  - 2023: 219,418
  - 165% increase
- CLCA Applications:
  - 2022: 10,617
  - 2023: 21,157
  - 99.27% increase
- Passed AB 917 to make program permanent
- 226,577 policies for California drivers since its inception
- 83% increase in active policies

- 56% increase in certified producers for program
- 18% increase in events
- 61,260 materials information dispersed. Increase of 6%
  - Continued partnership with DMV for a total of over 2,900+ unique scans for silent commercial:
  - DMV Silent Ad (English): 1,351
  - DMV Silent Ad (Spanish): 1,856

## The Program

Pursuant to Vehicle Code Section 16020, California law requires all drivers of vehicles within the State to maintain evidence of financial responsibility. The Department of Motor Vehicles requires that car owners provide proof of auto liability insurance to register their car. According to the Insurance Information Institute, nearly 17 percent of all cars on California's roads are uninsured. California's Low-Cost Automobile Insurance Program (CLCA) was established by the Legislature in 1999 and exists according 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 was established under the California Department of Insurance (CDI) and began operation in 2000 as a pilot program for Los Angeles and San Francisco counties. This program remained 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.

Currently, there are over 29,000 policies enrolled in the CLCA program. The policies are sold by licensed insurance agents or brokers (called "Producers") and issued by licensed insurance companies in California. The application process and the assignment of applications to insurance companies are managed by the California Automobile Assigned Risk Plan (CAARP).

To be eligible, applicants must meet the following requirements:

- Have a valid California driver's license, including AB 60 license
- Own a vehicle valued at \$25,000 or less
- Be at least 16 years of age
- Have a good driving record
- Meet income eligibility requirements (see below)

### Income Eligibility Requirements

- Income eligibility requirements per household ("household" is defined as all persons listed on a federal or state income tax form) effective 2023 are:
  - One Person: \$36,450.00
  - Two People: \$49,300.00
  - Three People: \$62,150.00
  - Four People: \$75,000.00
  - Five People: \$87,850.00

- 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.
- In 2020, the program evolved to allow applicants to submit a Certification of Income Eligibility form when proof of income is not available

## **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 its 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 2,279 CAARP-certified producers as of January 2024. This is an increase of 56 percent since 2023. CAARP supports this insurance program with customer service, monitoring 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 and data about applicants, issues of eligibility, certified producers, and the number of assigned applications.

# 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 to the California Automobile Assigned Risk Plan (CAARP) for issuance of the policy. If the producer is not certified by CAARP, the producer must 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
- Consumers have the option of adding more coverage for an additional charge of \$37-\$107 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 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 annually.

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 for members of the named insured's household who do not satisfy the eligibility requirements of California Insurance Code Section 11629.72. CLCA policies are issued by insurance companies holding certificates of authority issued by the California Department of Insurance (CDI).



## The Rates

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

The rates must be sufficient to cover losses incurred and expenses, including, but not limited to, administration costs, 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 must 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 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 the calendar year 2023 are shown on the subsequent page. Rates since 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.

In 2023, there was a motion to file the indication of -4.6% with a proposed decrease of 6.2% to the rates, which was unanimously approved by the CAARP Advisory Board.

## **Application Process**

Consumers can apply for CLCA online at the [mylowcostauto.com](http://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 and 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 carriers assigned in 2023 were AIPSO Insurance Operations (AIO), which services the business on behalf of the State Plan. Or one of the two limited assignment distribution (LAD) insurance carriers: 21st Century Insurance Company or Integon Insurance Company. "LAD servicing company" means an insurer that processes or writes LCA business for the Limited Assignment Distribution Procedure (LAD) on behalf of other insurers under Section 8.B.

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. Once that time expires, if the consumer wishes to continue with their CLCA policy, they must complete a renewal questionnaire and return it to the insurance carrier annually.

## Summary of 2023 Activities

In 2023, the California Department of Insurance (CDI) contracted with Trimex Outdoor Inc., Cordoba Consulting Services, Fraser Communications and the Foundation for California Community Colleges on the development and implementation of marketing, advertising, and public affairs efforts in communities throughout the state. The scope of work included media support and the development of diverse communication materials.

During 2023, the California Department of Insurance (CDI) and CAARP made the following improvements regarding the program:

- Recruited 1,000 new certified producers to the CLCA program which resulted in a 56 percent increase from the previous year.
- Held a training webinar for the new producers to introduce them to the program.
- Continued bi-annual webinars with CLCA Certified Producers designed to share program updates and best practices to maximize program visibility

The CDI outreach team focused on local, regional, and statewide organizations catering to CLCA eligible consumers. They conducted educational presentations, distributed program materials, and assisted in devising strategies for promoting CLCA to the clients of these organizations.

- 214 Presentations, Meetings and Events
- 61,260 Informational Materials Distributed
- 3,567,516 Outreach and Social Media Impressions

Network partners play a crucial role as trusted messengers for CLCA-eligible consumers. They enhance outreach and educational efforts and engage with low-income and hard-to-reach communities, particularly those within their existing client base or network. These partners maximize their impact by integrating CLCA program information with other low-income assistance offerings. While working with potentially eligible individuals, partners provide information, referrals, and screening assistance alongside their regular services. They serve as trusted hubs where program materials are prominently displayed and are highly visible at events and in lobbies.

# Partnerships

## Trimex Outdoor, Inc.

From January-March 31, 2023, a community-based advertising campaign featured three different types of outreach including CLCA posters (60x30), 8x8 Countertop Ad and 4x8 Take-One brochure boxes at 282 laundromats located within the specified underserved communities identified by CDI Statistics that show that low-income renters are the primary users of laundromats, where 87% of customers live within a mile of the facility and the median household income is \$28,000.

- Total impressions: 39,981,396.00
- The campaign covered 6 Regions throughout the State:
  - Region 1: Los Angeles, Orange County, Oxnard-Ventura, San Gabriel
  - Region 2: Santa Maria, Fresno, Modesto, Earlimart, Parlier, Lamont, Freedom
  - Region 3: Stockton, San Joaquin, San Jose, Oakland, Redwood City, Richmond
  - Region 4: Sacramento
  - Region 5: San Bernardino-Riverside, Coachella Valley
  - Region 6: San Diego, Imperial Valley

## Cordoba Consulting Services

The California Department of Insurance continued a two-part research study of California drivers in order to explore the attitudes and behavior of current CLCA customers, and gauge awareness and interest among consumers who are eligible but not currently enrolled.

In Phase 1, eighteen (18) virtual focus groups were conducted among diverse population segments from underserved zip codes across California. There were 116 total participants in the focus groups.

In Phase 2, a total of 1,050 California adults participated in an online survey. Respondents met the age, income and driving criteria required for CLCA eligibility, and represented 3 insurance consumer segments (CLCA customers, other insured and uninsured) and 4 ethnic/language segments.

Below are key findings:

- Awareness of CLCA

- Lack of awareness is the greatest barrier to increased enrollment in CLCA.
- Seven in ten Uninsured respondents overall, and more than eight in ten Black Uninsured respondents, cited affordability as a key challenge to getting car insurance.
- Yet only one-fourth of Uninsured respondents overall, and only one in ten Uninsured Spanish-preferred Hispanic respondents, were even aware that CLCA offers a low-cost auto insurance option.
- Interest in CLCA
  - Once a description of the CLCA program was presented, interest was high across the board.
  - A majority of Uninsured respondents (79%) expressed a “very/somewhat positive” impression of the program.
  - While interest among Gen Pop Uninsured respondents was high (66%), the strongest positive response was found among Spanish-preferred Uninsured Hispanic (88%), Black Uninsured (84%), and English-preferred Hispanic Uninsured respondents (82%).
  - Among the Uninsured, four in ten were “unsure” if they were eligible. Uninsured Spanish-preferred Hispanics had the highest level of uncertainty about being eligible (92% “pretty sure/not sure”), while Uninsured Gen Pop respondents expressed the most certainty (40% “I know I am eligible”).
- Eligibility of CLCA
  - Consistent with low awareness of the CLCA program, a majority of eligible respondents were not certain they would be eligible for the program.
  - Among the Uninsured, four in ten were “unsure” if they were eligible. Uninsured Spanish-preferred Hispanics had the highest level of uncertainty about being eligible (92% “pretty sure/not sure”), while Uninsured Gen Pop respondents expressed the most certainty (40% “I know I am eligible”).
- Features of CLCA
  - Liability-only coverage did not seem to be a major barrier to considering low-cost auto insurance:
    - Two thirds of Uninsured Hispanics agreed that it’s worth the lower coverage to get a low price. Half of Black Uninsured respondents and four in ten Gen Pop Uninsured also agreed with this statement.

- Gen Pop Uninsured respondents were significantly more likely than other Uninsured respondents to agree that liability-only insurance is better than no insurance at all

## **Fraser Communications**

The partnership with Fraser Communications, CDI's media, and marketing partner, kicked off in Quarter 3 of 2023, and a brand-new statewide creative campaign for CLCA was introduced. The campaign showcases a Grizzly bear (the iconic state animal of California) offering friendly advice to ensure all California drivers remain compliant with their auto insurance coverage. The paid media campaign started toward the end of September with Search Engine Marketing on Google platforms and then with a full launch in early October with statewide radio spots, paid advertisements on Facebook & Instagram, and programmatic and native digital ads across multiple web platforms.

In addition to the paid media campaign, Fraser secured several interviews on public affairs radio shows throughout the state, where a CDI representative spoke about CLCA's offering and how eligible Californians can apply for coverage.

Overall, 31.5 million impressions were delivered through this first phase of the campaign – over 7.7 million more than originally estimated. This drove 154,395 unique visits to the mylowcostauto.com site during this time. All activities during this campaign focused on and prioritized the underrepresented zip codes across the state identified by the Department of Insurance to decrease the number of uninsured drivers on the road.

Fraser recommended launching the new campaign with a mix of traditional & streaming audio, social, display, and search engine marketing to reach our audiences across zip codes broadly, and to prompt them to click and enroll. Audio will deliver targeted awareness with three months of streaming and two focused weeks of traditional radio. Digital provided ongoing coverage starting with search.

Media Campaign Target Audience:

- Lower Income Uninsured: Recommended at <\$60,000 for household income size
- Underserved Communities: Hispanic, African-American, Indigenous
- Median Age 42, female skew: 1 in 4 women 50+
- Eligibility Requirements for added digital targeting:
  - 16+ with valid CA license
  - Good Driving Record
  - Vehicle value less than \$25K

The media campaign's strategic focus on lower-income uninsured individuals is not arbitrary but rather a result of comprehensive research and feedback gathered from

previous focus groups. These insights revealed a clear recommendation to target underserved communities, including those who are eligible for assistance programs like the California Low Cost Automobile Insurance Program (CLCA). By incorporating the perspectives of these communities, the campaign ensures that its messaging resonates effectively with the intended audience, addressing their unique needs and challenges.

The target areas included 145 zip codes throughout the state, provided by CDI.

### **Traditional and Streaming Audio**

Thirty-second radio spots in English and Spanish ran between October and December across traditional radio stations throughout California. The spots were targeted to young/newer, and more seasoned drivers to increase awareness of the CLCA program and ultimately drive people to the website to learn more and enroll. The total impressions garnered for the traditional radio effort were 15,139,200.

Streaming/Online, Radio Spots, & Digital Banners – October-December 2023:

- 4,652,924 Impressions iHeart Radio
- 1.34 M Streaming Audio Companion Banners
- 2.50 M Podcast Ads
- 0.84 Display Ads
- 579,856 Impressions Spotify
- 434,961 Impressions Pandora

### **Public Affairs**

Fraser continued distributing, tracking, and promoting California's Low-Cost Auto Insurance radio public service announcements (PSAs) to radio stations throughout California. The radio PSAs have been used an estimated 643 times, generating 1,603,600 impressions.

An interview with Amy Nungaray, CDI program manager, aired on Bonneville Sacramento's four radio stations (KYM-FM, KNCI-FM, KZZO-FM, KHTEK-AM) on October 8th. The interview generated 4,900 impressions.

An interview with Amy Nungaray aired on iHeartMedia San Francisco's four radio stations (KISQ-FM, KYLD-FM, KOSF-FM, KIOI-FM 101.3FM) on Sunday, October 15th. The interview generated 7,100 impressions.

Alpha Media Palm Springs aired an interview with Amy Nungaray on its public affairs show and used snippets as part of a news story. The public affairs interview aired on Sunday, October 22nd, on KPSI-FM, KDGL-FM, KDES-FM, KCLB-FM, KKUU-FM, and KDES-HD2, generating 3,700 impressions. The news interviews aired on October 19th on KDGL-FM, KDES-HD2, and KNEWS-AM, generating 6,800 impressions.

Additional earned media was a CLCA article in The California Veteran Magazine that was published in early December. The circulation number for this magazine is 105,000 readers across the State of California.

### **Social Media Advertising**

Fraser created posts and carousels on Meta (both Facebook & Instagram) via paid media. Assets are running statewide in English and Spanish through next year, with periodic creative refresh opportunities.

The top two performing creatives drove the most clicks to the CLCA website, and the campaign reached 6,327,451 impressions.

In addition to paid media, the Fraser and CDI team have collaborated on an organic social media presence to increase visibility and credibility.

### **Digital Banners**

Digital advertisements were run programmatically across the web to extend our outreach beyond social media platforms. This method offered a cost-effective way to display native ads on various devices, including desktops, laptops, tablets, and smartphones. These ads are also running statewide in English and Spanish throughout 2024 with periodic creative refresh opportunities. In 2023, these digital banners delivered 2,994,738 impressions.

### **Search**

As upper-funnel awareness tactics like radio and social media drew more interest in CLCA, Fraser used paid search engine marketing on Google in English and Spanish to capture those now searching for low-cost car insurance online. Overall, Google Search showed progressive month-over-month performance between September and December with an overall cost-per-click of \$7.19, with 60% of people viewing the ad in their search queries engaging and clicking on the link.

### **Newspaper Advertisement**

A print advertisement ran in the newspaper La Opinión in early December. La Opinión is a Spanish-language daily newspaper that covers the Los Angeles Metro area. It is the largest Spanish-language newspaper in the United States and the second-most-read newspaper in Los Angeles. Print advertisements are a consistently reliable avenue to reach lower-income individuals, specifically adults aged 55+. This print insertion delivered 29,340 impressions.

## **Foundation for California Community Colleges**

CDI continued its partnership with the Foundation for California Community Colleges (FCCC) to bring awareness of the California Low-Cost Auto Insurance Program to



California's student population. Through this partnership, FCCC provided opportunities for community college students to learn about the CLCA program.

FCCC continues to create and develop student-friendly outreach materials for dissemination across the California Community College system and conducts social media marketing to reach 115 campuses and surrounding communities. In addition, FCCC identified 13 college partners that included a more expansive outreach involving various methods, including, but not limited to, training student ambassadors, student emailing campus listservs, posting on student-facing social media pages, class presentations, tabling at outreach events, and providing CLCA materials in offices and basic need centers. These are known as network activation college partners.

The Foundation for Community Colleges raises awareness of CLCA by developing strategic outreach to community college students in partnership with campus liaisons. Through this partnership, FCCC provided opportunities for community college students to learn about the CLCA program. FCCC trains student ambassadors to provide peer-to-peer outreach directly to students and student organizations.

The outreach strategy was a success this year through intentional efforts to provide digital and in-person outreach. Below are the colleges that have continued working past the year 2023 to continue to inform students of the CLCA program:

1. Network Activation College Partners 2023-2024
2. Bakersfield College
3. Contra Costa College
4. Diablo Valley College
5. Fresno Valley College
6. Los Angeles City College
7. Monterey Peninsula College
8. Moreno Valley College
9. Mt. San Antonio College
10. Pasadena City College
11. Rio Hondo College
12. San Diego Mesa College
13. Solano Community College
14. West Los Angeles College

Throughout the year 2023 of the grant cycle, campus partners collected 400 qualitative surveys from students. Key findings from the survey show that 74% of the students had

not heard of California’s Low-Cost Auto Insurance program and had never visited the CLCA website before. Additionally, 39% of respondents stated they plan to utilize California’s Low-Cost Auto Insurance Program after learning about the resource.

### **Testimonial Highlights:**

*“Of course, I plan on utilizing this resource, auto insurance is a major part of our blossoming newfound adult lives and I hope anyone at my school will be eligible to make their lives less stressful.” – Student*

*“Yes, I plan on utilizing this resource, the cost of car insurance is going up rapidly and getting any type of help while attending college goes a long way. School loans are in the future and saving as much as I can is what’s necessary.” – Student*

*“I am currently living out of my car and keeping it insured is essential.” – Student*

*“Getting to and from campus in an affordable way helps with saving money and not missing classes because you don’t have a ride, or you can’t afford to pay.” – Student*

### **Social Media**

FCCC successfully leveraged social media platforms such as Facebook, Instagram, and X (formerly known as Twitter) to execute a comprehensive awareness campaign ad for the low-cost auto insurance program.

Social Media Impressions:

- Quarter 1: 111,780
- Quarter 2: 1,641,541
- Quarter 3: 771,770
- Quarter 4: 643,007
- **Total: 3,168,098**

### **Materials and Toolkits**

FCCC created a QR code for the mylowcostauto.com website and included it on all outreach toolkit material and promotional items that were disseminated to the colleges. 188 toolkits were distributed during 2023. Toolkits contained materials for the CLCA program, i.e., posters, bilingual postcards, stickers, and post-it pads.

Materials Disseminated:

- Quarter 1: 211,428
- Quarter 2: 21,090
- Quarter 3: 14,530

- Quarter 4: 2,942
- **Total: 249,990**

Materials Disseminated through the CLCA Toolkits:

- CLCA Posters: 885
- CDI Posters: 177
- Bilingual Postcards: 177,000
- Stickers: 38,400
- Post-it Pads: 33,025

QR Code Analytics:

- Quarter 1: 660
- Quarter 2: 2,171
- Quarter 3: 554
- Quarter 4: 332
- **Total: 3,717**

### **Number of Students Reached**

A total of 145,711 connections were made to community college students. These outreach methods were effective ways of building awareness and increasing access to this valuable resource.

### **Department of Motor Vehicles**

In 2023, the partnership between the Department of Motor Vehicles (DMV) and the California Low-Cost Automobile Insurance (CLCA) program continues to prove to be highly successful by using a bilingual silent commercial. This innovative approach catered to a diverse audience, effectively reaching English and Spanish-speaking communities.

The 30-second commercial, aired in all offices state-wide, conveyed crucial information about affordable auto insurance options accessible through the CLCA program. This inclusive outreach strategy facilitated greater awareness and participation among low-income drivers, enhancing their ability to obtain essential coverage required for vehicle registration. The collaborative effort between the DMV and CLCA, exemplified by this bilingual initiative, illustrates a commitment to equitable access and community engagement, ultimately contributing to safer roads and increased compliance with insurance regulations statewide.

DMV Silent Ad Unique Scans for 2023:

- English: 1,351
- Spanish: 1,855

English Scans by Month:

- January 2023: 30
- February 2023: 69
- March 2023: 83
- April 2023: 88
- May 2023: 100
- June 2023: 114
- July 2023: 137
- August 2023: 137
- September 2023: 92
- October 2023: 101
- November 2023: 82
- December 2023: 90

Spanish Scans by Month:

- January 2023: 38
- February 2023: 79
- March 2023: 121
- April 2023: 123
- May 2023: 119
- June 2023: 158
- July 2023: 162
- August 2023: 187
- September 2023: 143
- October 2023: 142
- November 2023: 129
- December 2023: 126

## **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 2023 generated sufficient premiums to cover losses and expenses incurred by CLCA policies. In 2023, the program issued claim payments in the amount of \$5.57M+.

### **The 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 the established 250% of the federal poverty limit. In 2023, CAARP statistics show approximately 82% 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 2023 was less than \$5,000.

CLCA program offered access to previously uninsured motorists, thus reducing the number of uninsured drivers. Statistics compiled by CAARP show that in 2023, 73% 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 165,000 formerly uninsured drivers have been or are currently insured through the CLCA program.

## **Statutory Revisions**

During 2024, 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 2024 Legislative session.

## Funding for Program Outreach

The California Department of Insurance is tasked with advertising and informing the public about the California Low Cost Auto Insurance Program. The California Low Cost Auto Insurance Program is funded by a \$.05 special purpose assessment on each vehicle insured in the state. Estimated funding for 2024 is up to \$1.29 million.

The use of the funding is estimated for 2024 as follows:

- Marketing and Advertising Budget: \$1,200,000.00
- Materials Development and Production: \$90,000.00
- **Total Budget for 2024: \$1,290,000.00**

## Outreach and Advertising Plan

Anticipating the implementation of a comprehensive, integrated marketing strategy, which encompasses streaming video, radio/streaming audio, outdoor, and in-language TV, the program is poised to make a significant impact by generating a total of **95,669,408** impressions for Quarter 1 and Quarter 2 in 2024. This multifaceted approach ensures a wide reach and facilitates engagement with various demographic segments.

By leveraging the power of outdoor, radio, and digital media, the aim is to create a compelling and memorable brand presence, fostering increased awareness and understanding of the program. This strategic initiative aligns with the program's vision to stay at the forefront of the ever-evolving digital landscape, enabling the program to connect meaningfully with an audience and drive positive outcomes.

### The expected outreach and advertising goals during 2024 include:

- **Increase** the number of uninsured drivers enrolled in the CLCA program.
- **Increase** awareness of CLCA through targeted media and outreach campaigns.
- **Maintain** and update a consumer-friendly website.
- **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.
- **Optimize** social media and direct marketing and advertising opportunities through partnerships with Federal, State, County and Local City legislative offices and community-based organizations.
- **Enhance** partnerships with key state government agencies to increase opportunities for cross-functional collaborations.

A major resource for the outreach program is organizations serving CLCA specific populations who play an important, trusted messenger role in sharing CLCA information. The team will partner with local elected officials and local community-based organizations to present CLCA educational workshops virtually and, when available, in person at schools, libraries, and community centers. The team will also conduct direct outreach and support through other driver-related and income-eligible state programs and services, including the DMV, CalWORKs, and County Public Health Offices.

### Outreach Strategies

The Outreach and Marketing Teams will work together to complement and reinforce advertising with messaging from trusted sources, such as grassroots and community-based organizations (CBOs), schools, community colleges, local government, and law enforcement. This strategy calls for outreach staff to continue to build relationships with



legislative and partner organizations that will help deliver the messages through the following strategies:

- **CDI Outreach Team:** Outreach staff are at the core of our outreach strategy as they are responsible for developing relationships with Federal, State and Local community partners.
- **Network Partners:** Network Partners interact regularly with the intended markets, and increase program awareness through on-site collateral placement, outreach activities and by promoting CLCA through their routine activities. Network Partners may be community-based organizations, social service agencies, schools, community colleges and other grassroots organizations.
- **Strategic Statewide Partners:** Strategic Statewide Partners are organizations that serve specific populations, including potential CLCA participants, and will deliver program information as trusted community resource with a larger statewide reach. Examples of these partners include law enforcement agencies, 211 information lines and directories and local senior centers.

### **Advertising Strategies**

The advertising plan will include traditional (Radio and Out of Home/Billboards) and digital (Banners, Facebook, Instagram, and Search) efforts that expand awareness of the CLCA program across the state to those who most need it. Alongside these efforts, the CLCA program will introduce 2 influencers who will help create videos to explain the program to their communities. Influencers play a key role in tapping into the community as they are seen as trusted sources.

### **Information Systems (IS) Strategies**

The CLCA website is the hub for program information, eligibility processing, producer lead generation, and self-guided online applications. All outreach and advertising materials emphasize the call to action to visit the website, where consumers are given easy, two-step directions to get insured. In 2024, the IS strategy is to continue working collaboratively with the website host to provide maintenance and support, as well as make improvements that streamline the application process.

## **Impediments to Success**

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

### **Modernized Customer Service**

CLCA consumers want improved customer service, including paying their premium online without an extra transaction fee. Currently, CLCA consumers pay different customer service fees depending on their carrier. CLCA consumers would like to utilize the same services that are customarily provided by insurance carriers.

### **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 California law and continues to track the program's analytics while being responsive to emerging challenges, opportunities, and consumer needs. CDI will continue to work aggressively in 2024 to spread awareness of the CLCA program and will continue to advocate for greater accessibility on behalf of low-income eligible motorists.