



Sponsored by the
California Department of Insurance

2021

Report to the Legislature & Consumer Education and Outreach Plan

Prepared for the California State Legislature by March 15, 2021, 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 | Website: www.insurance.ca.gov

Consumer Website: www.mylowcostauto.com | Facebook Page: www.facebook.com/mylowcostauto

Twitter Page: <https://twitter.com/CALowCostAuto>

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EXECUTIVE SUMMARY

California's Low Cost Automobile Insurance Program (CLCA) is a resource and option for Californians seeking affordable auto insurance, to meet the State's financial responsibility laws. Since program inception in July 2000, 175,973 Californians have acquired insurance through the program. At the end of 2020, there were 21,414 active, 11,943 cancelled, 8,805 renewed and 1,334 reinstated policies. Statistics from the California Automobile Assigned Risk Plan (CAARP) indicate roughly 90% of applications assigned were from uninsured motorists at the time of their CLCA policy application.

The program has evolved due to legislative changes, designed to enhance the program allowing more eligible California households to qualify. AB 60 (Alejo 2013), SB 1273 (Lara 2014), and SB 570 (Rubio 2019) reduced barriers to participation in CLCA for income-eligible consumers. Assembly Bill 60 authorized undocumented immigrants to obtain driver's licenses effective January 1, 2015. SB 1273 allowed for drivers with fewer than three years of driving history to participate, expanded vehicle value limits from \$20,000 to \$25,000, and offered premium payment options to consumers. Senate Bill 570, most recently, extended 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 re-certification to three years.

During 2020 California Department of Insurance (CDI) and CAARP made the following changes to the program:

- Consolidated CLCA ZIP code guideline pages, including automatic update authorization
- Allowed applicants to submit a Certification of Income Eligibility form when proof of income is not available

Amendments were proposed to and are awaiting approval by the Office of Administrative Law (OAL). Changes include:

- Update references from the EASi application system to laymen's terms
- Exclude coverage for any claim in violation of the U.S. Department of Treasury Executive Order prohibiting transactions with persons who commit, threaten to commit or support terrorism

In response to the COVID-19 pandemic and CDI Commissioner Ricardo Lara's request, the CAARP Advisory Board issued a 30% premium credit for the months of March, April and May to policyholders. For policies in effect as of March 1, a 15% premium credit was issued for June and July.

CLCA's marketing and outreach campaign themes for 2020 highlighted the ease to apply safely online due to the pandemic. The following are taglines used in 2020:

- Apply 100% online for affordable coverage that's 100% essential!
- We're here to help you stay safe! Contact us today at mylowcostauto.com
- We're here to help! Even if you've been unemployed, you may qualify for our low-cost auto insurance

THE PROGRAM

California law requires all drivers of vehicles within the State to maintain evidence of financial responsibility.

California's Low Cost Automobile Insurance Program (CLCA) was established by the State Legislature in 1999 and exists pursuant to California Insurance Code Section 11629.7. The program is designed to provide income-eligible consumers with liability insurance protection at affordable rates, meeting California's financial responsibility laws.

CLCA began operation in 2000 as a pilot program in the counties of Los Angeles and San Francisco. Since 2007, the program has been available in all 58 counties in the State.

FUNDING FOR PROGRAM OUTREACH

Funding for California's Low Cost Automobile Insurance Program outreach informs consumers about the program and is funded by a \$0.05 special purpose assessment on each vehicle insured in the state. The authority for the special purpose assessment is scheduled to sunset January 1, 2025 (California Insurance Code Section 1872.81).

Estimated funding for 2021 is up to \$1.2M. The use of the funding is as follows:

2021 ELEMENTS	COST
Marketing and Advertising	\$1,125,000
Materials Development and Production	\$75,000
Total	\$1,200,000

More detailed budget elements for 2021 will be determined later in 2021.

SUMMARY OF 2020 ACTIVITIES

The California Department of Insurance worked with outreach program design and management contractor, Richard Heath & Associates Inc. (RHA), to create a customized outreach and advertising campaign based on demonstrated knowledge of the target consumer. This grassroots outreach approach was founded on the understanding of income-eligible consumers and recognition that a variety of channels and messages are needed to reach the diverse segments of the income-eligible market in California.

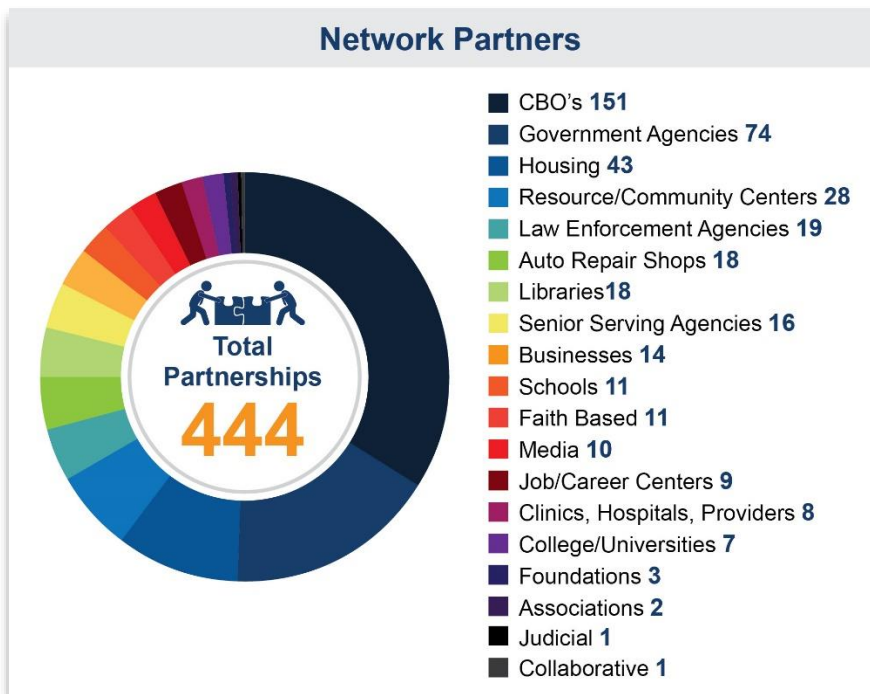
The campaign focused on populations with the most potential for CLCA program eligibility, taking a multi-pronged approach, and using key influencers to stimulate a consumer call to action. The 2020 scope of services included grassroots outreach, partnership development, targeted media, collateral material development, and website maintenance and development. A summary of activities follows.

Outreach

Partner Engagement

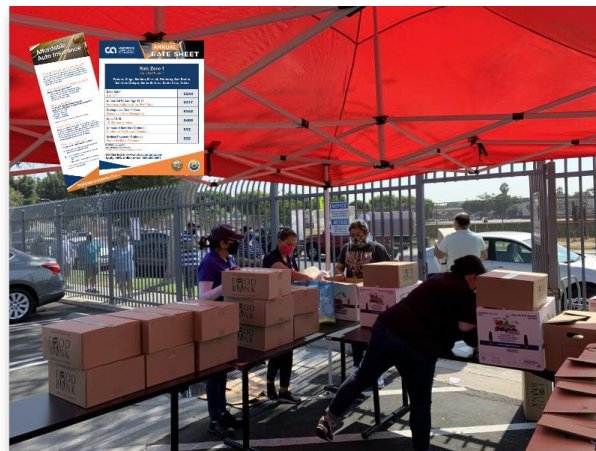
The outreach team targeted local, regional, and statewide organizations serving CLCA eligible consumers, provided educational presentations, supplied them with program collateral, and helped identify ways the

organizations can promote CLCA to consumers who frequent the organization. RHA secured 444 partnerships in 2020, categorized by organization type in the following graphic.



Network partners are important, reliable messengers to CLCA eligible consumers. Partners enhanced outreach and education capacity and connect with low-income and hard-to-reach communities, especially those who are a part of their existing client services or network. They maximized their efforts by including CLCA program information with other low-income program offerings. When working with likely eligible populations, partners offered information and referrals or helped screen consumers while delivering their routine services. Partners were trusted heralds where informational material is displayed in lobbies or included on websites, social media posts and e-newsletters.

These partners were often a consumer's first introduction to the program and effectively guided a consumer in their journey to learn about or participate in CLCA. Partners extended reach, were skilled at interfacing with a target population, and often developed effective communications targeting diverse populations in their communities. New partnerships, such as the City of Huron and the Community Action Partnership of San Luis Obispo, were established to distribute CLCA program information to consumers. Those two organizations alone ordered and committed to distribute a total of 155,700 collateral pieces. The organization, Promotoras con Alma shared CLCA information on their Face Book page targeting 339 Promotoras.



Mexican American Opportunity Foundation Food Distribution – Montebello, CA September 3, 2020

The pandemic escalated the need to leverage and share resources among community partners, deemed as essential, still working and serving families either safely in-person or virtually. Family Resource Centers (FRCs) and food distribution centers were key collaborative partners. The pandemic spotlighted the value of FRCs, as accessing resources was a significant challenge in 2020 and an existing core service for FRCs – uniquely positioned to be of support through the pandemic.

Department of Motor Vehicles Offices (DMVs) were supplied with informative, multi-language, program cards, card displays and posters for consumers. The DMVs remain a top referral source for the program.

Direct-to-Consumer Outreach

Outreach staff participated in 269 statewide community events, informing 47,479 consumers about the program, focused in specific communities to reach populations with the most potential for CLCA program eligibility. *



*Some events (41) were completed by CDI's Community Relations and Outreach staff.

The outreach team identified and staffed events frequented by the target market to provide brand recognition, consumer education and to help consumers complete eligibility questionnaires to generate new applicants and new partner interest in CLCA. Events traditionally take place in local parks, community centers, school campuses, malls, libraries, senior centers, and more, but because of the State's stay-at-home order most events were conducted virtually via ZOOM, FB Live or other screen sharing application.

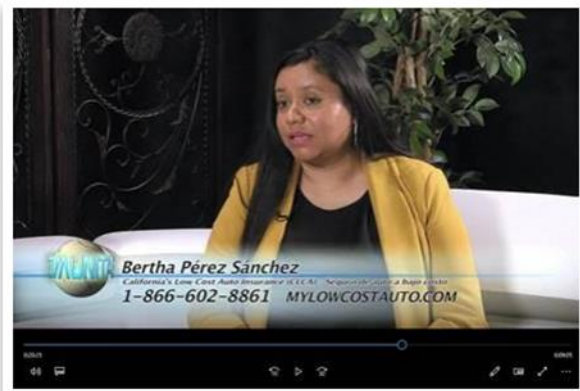
Virtual events were carefully selected to include those targeting low-income, uninsured, hard-to-reach, seniors, the Latino community or undocumented persons (non-citizens). In addition, the team focused on communities most gravely affected by the pandemic, such as the unemployed or geographies with high COVID-19 positivity rates. For example, in 2020, virtual Rapid Response Team Workshops were ideal virtual events to promote CLCA for displaced workers. Workshops provided valuable resources, as many workers experience immediate financial hardships and needed affordable auto insurance to pursue new work opportunities.



South East Los Angeles (SELA) Collaborative Census Caravan Norwalk, CA June 17, 2020

The outreach team secured ethnic radio/TV interviews and Public Service Announcement (PSA) placements to diverse audiences.

Radio and TV public affairs programming successfully reached thousands of targeted consumers. The outreach team brokered pro bono radio and TV appearances and interviews to promote CLCA. Interviews were broadcast or looped during free and open programming airtime. Ethnic media was a very effective, trusted source to promote CLCA. As a public service, many ethnic media outlets guide consumers when it comes to issues such as immigration, health and how, in general, to operate in American society.



Estrella TV Fresno & Azteca America Fresno – Show Acento Comunitario Oct 24th and 25th, 2020

Advertising

The advertising campaign ran from the beginning of the year through July 31, 2020 and remained true to past learning, as well as leveraged new algorithms implemented by Google, Facebook, Twitter, Instagram and YouTube, increasing the ability to quickly identify target behavior patterns and maximize ad effectiveness. As a result, campaign goals to provide well-crafted CLCA messages directed at the program's target audience, in a personal and interactive way. The goal of turning consumers into CLCA customers continued to be the advertising objective while yielding optimal results. The specific advertising strategies used in 2020 are detailed below.

The marketing team delivered advertising and mass media marketing optimizing reach and frequency exposure. The six-month campaign delivered 12.5 million impressions and 87,907 clicks to the CLCA website. Eighty-six percent of consumers visiting the site and assessed were deemed eligible, demonstrating the advertising campaign reached the target population.

Digital Advertising/Programmatic Buying

Digital media offered the best opportunity to narrowly target multiple and specific audiences in geographically targeted areas. It also allowed CLCA the ability to collect, analyze, and respond to consumer behaviors quicker and more effectively. With all digital mediums working together, driven by planned and precise lead generation goals, digital advertising drove more consumers to the website with better conversions. In addition, the ads helped pass along leads to producers and more importantly, generated cost-effective acquisitions for the campaign.



Sample stay-at-home order digital ad at pandemic onset

Digital advertising included various approaches to include:

- Direct digital banner ads placed with targeted websites serving target audiences.
- Programmatic audience buying where ads were placed with third party aggregators who served ads on hundreds of sites to the target audience through specific targeting tactics. The ads were targeted across multiple languages in various ad sizes including static, animated, Native and video.
- Geo-target specific, CDI identified underserved ZIP codes with a higher propensity for qualification and engagement, optimized throughout the campaign with best performing ads.
- Retargeted ads, utilizing cookies picked up on the CLCA website, served ads back to previous website visitors or Eligibility Questionnaire participants.

Search Engine Marketing (SEM)

Utilizing the number one search engine Google AdWords as well as others, SEM delivered text ads to consumers actively searching products or services such as “low cost auto insurance.” The insurance category continues to be one of the more competitive and expensive search industries in the SEM platform.

Video

Video shorts continued to be a staple in the 2020 creative lineup, following the success of the 2019 campaign. Added to the video library were new pandemic-centric videos highlighting essential workers, safe travels and safe applying.

Placement strategy for video continued to utilize digital format including YouTube, Paid and Organic Social Media, as well as Over-the-Top (OTT) streaming services. These videos were available in both English and Spanish and continued to be one of CLCA’s top performing advertising mechanisms with high viewership and clicks to the website.

The graphic below displays a video example:



Essential Worker Video Spot – Get Coverage Today

Social Media

The social media strategy included engagement optimization with platform users driving the most qualified users to the website. Visually compelling and relevant social media messages were crafted to the target consumer, including attention to the COVID-19 response to best engage a CLCA audience during unique times. The social media strategy included a mirror audience and video first approach, as these were a top consumer engagement strategy across all platforms.

Social media was leveraged to ensure CLCA's user base had clear direction as to how to contact CLCA for more information and how to continue to use the program during the pandemic. Sample messages included:

Instagram

In light of the rapidly evolving status of COVID-19, our Western Region office will be closed until further notice. Our Western Region office provides the day-to-day management of operations and administration for the California Low Cost Auto Insurance Program (CLCA).

During this time, our team will continue to manage all functions by e-mail or chat only and provide customer service remotely between normal business hours (Monday through Friday from 8:00 a.m. to 4:00 p.m.).

While our toll-free line will not be available, feel free to direct questions via the chat feature on www.mylowcostauto.com or www.aipso.com/ca/, or via e-mail at CAARP@aipso.com.

We appreciate your patience and understanding during this extraordinary time.

DRIVER LICENSE EXTENSIONS

	PREVIOUS ACTION	NEW ACTION
DRIVERS 70 & OLDER	Issued a 120-day extension to noncommercial licenses expiring in March, April or May 2020	Issuing a 120-day extension to noncommercial licenses expiring in June or July 2020 Further extending March expirations to July 31, 2020
DRIVERS 69 & YOUNGER	Extended noncommercial licenses expiring in March, April or May 2020 to May 31, 2020	Extending noncommercial licenses expiring in March through July 2020 to July 31, 2020
DRIVER LICENSE PERMITS	Extended driver license permits expiring in March through June 2020 for six months or to a date 24 months from the date of application, whichever is earlier	Extending driver license permits expiring in July or August 2020 for six months or to a date 24 months from the date of application, whichever is earlier
COMMERCIAL LICENSES	Extended all commercial licenses, endorsements and commercial learner's permits expiring between March and June 2020 to June 30, 2020 , in accordance with federal guidelines	No new actions

DMV COVID-19 UPDATES

additional 46 DMV OFFICES REOPENED LIMITED services In appointment only

Bell Gardens Bellflower Chula Vista Clovis Colton Corte Madera Daly City El Cajon Eureka Fairfield Fremont Fresno North Garberville Hawthorne Laguna Hills	Merced Newark Oakland Coliseum Pasadena Pittsburg Pleasanton Pomona Poway Rancho Cucamonga Riverside East Roseville Sacramento San Bernardino San Diego Clairemont San Luis Obispo	San Mateo Santa Ana Santa Clara South Lake Tahoe South Sacramento Temecula Thousand Oaks Torrance Tracy Turlock Van Nuys Ventura Victorville Visalia West Covina Westminster
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offices first REOPENED on May 8. A total of 71 offices are NOW OPEN. More offices to REOPEN soon.

mylowcostauto • Following

mylowcostauto • Repost @ca_dmv

TODAY, 46 additional #CADMV offices REOPEN to the public, providing LIMITED services for customers who have an appointment or transaction that requires an in-person visit.

Read more here: [#DMV #Covid19 #Coronavirus](https://bit.ly/2LY7H8k)

mylowcostauto • CLCA #california #carinsurance #affordableinsurance #drivewithconfidence #insurance

Liked by jamejef and 4 others

mylowcostauto • Following

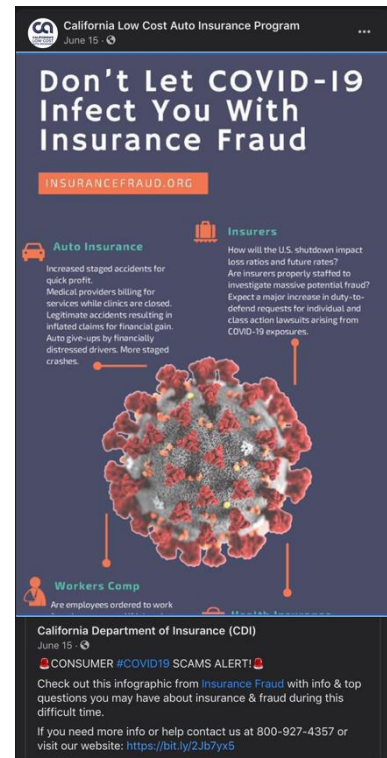
mylowcostauto • Repost @ca_dmv

The #CADMV announces the extension of expiring driver licenses. Read more here: [#DMV #Coronavirus #COVID19](https://tinyurl.com/DMVExtensionsDL)

mylowcostauto • CLCA #california #lowcostautoinsurance #carinsurance #affordableinsurance #drivewithconfidence #insurance #car #seguroautoabajocosto #segurodeauto #conduzacaconfianza #seguro

Liked by jamejef and 3 others

Facebook



Top Performing Social Media Ads

<p>Impressions: 312,264 Clicks: 4,447</p>	<p>Impressions: 106,083 Clicks: 2,061</p>
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Print/Digital Collateral

Regional stay-at-home orders prompted the advertising team to cease printing materials and develop digital materials to share with partners for their virtual events and digital media placements on websites, social media platforms and in e-newsletters. Premium rate tear-off sheets were printed and leveraged in food distribution bags/boxes.

Digital material samples



Get the relief you need. State resources are available. Visit www.mylowcostauto.com to see how California Low Cost Auto Insurance Program can help you in your time of need, all online!



Now is a great time to learn about the State's Low Cost Auto Insurance Program. Visit www.mylowcostauto.com now to learn more and see if you qualify. Our chat support team is here to help. It's easy to apply online from the safety of your home.



Do you need to drive to take care of essentials? Lower your auto insurance costs with California Low Cost Auto Program, sponsored by the California Department of Insurance. Visit www.mylowcostauto.com to see how you can save now! Our chat support team is ready to help.

Information Systems

The Information Systems (IS) team provided website maintenance and support to preserve site functionality, updated the site based on legislative program changes, and performed site enhancements to drive leads and improve data quality.

The CLCA website is critical to the overall outreach and advertising approach, as targeted outreach and advertising efforts are designed to lead consumers to the CLCA website. In addition, in 2020 more than ever, because of regional stay-at-home orders, many customers sought 'no-contact' services, such as pre-qualifying and applying online. As such, the website was a one-stop spot where consumers learned about CLCA and apply, all from the safety of home.

The online application continued to be the top next step choice for eligible consumers. In fact, 95% of eligible consumers who act, selected the online application. The remaining 5% either selected a producer for follow-up or accessed a list of producers.

The outreach contractor examined website analytics to determine and deploy upgrades enhancing the consumer experience, as well as updated program changes. In 2020, the IS team accomplished the following website enhancements and updates:

- Updated 2020 rates and income guidelines
- Enhanced online application
 - Removed previous insurer requirement
 - Default payment option to 'Arrange with Producer'
 - Refined application submission confirmation webpage text and email notification
- Simplified next-step options by removing Lead Accepting Producer option
- Updated owner operator rules
- Completed website transition planning

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 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 2020 and 2021 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.

2020/21 Rates



CALIFORNIA'S
LOW COST
AUTO INSURANCE

Making low cost auto insurance available to Californians.



BASE Rate in the chart below is for most drivers with 3 years of good driving history
30% Surcharge if the driver is a single male 19-24 years old
40% Surcharge if the driver has less than 3 years of verifiable driving history
100% surcharge if policy owners or operators 16-18 years old

THE MAXIMUM SURCHARGE ON ANY CLCA POLICY IS 100%. **2020 RATES**

ANNUAL LIABILITY PREMIUM					ANNUAL LIABILITY PREMIUM				
COUNTY	BASE	30%	40%	100%	COUNTY	BASE	30%	40%	100%
Alameda	\$317	\$412	\$444	\$634	Orange	\$483	\$628	\$676	\$966
Alpine	\$263	\$342	\$368	\$526	Placer	\$263	\$342	\$368	\$526
Amador	\$263	\$342	\$368	\$526	Plumas	\$263	\$342	\$368	\$526
Butte	\$263	\$342	\$368	\$526	Riverside	\$263	\$342	\$368	\$526
Calaveras	\$263	\$342	\$368	\$526	Sacramento	\$317	\$412	\$444	\$634
Colusa	\$263	\$342	\$368	\$526	San Benito	\$244	\$317	\$342	\$488
Contra Costa	\$317	\$412	\$444	\$634	San Bernardino	\$263	\$342	\$368	\$526
Del Norte	\$263	\$342	\$368	\$526	San Diego	\$263	\$342	\$368	\$526
El Dorado	\$263	\$342	\$368	\$526	San Francisco	\$317	\$412	\$444	\$634
Fresno	\$244	\$317	\$342	\$488	San Joaquin	\$317	\$412	\$444	\$634
Glenn	\$267	\$347	\$374	\$534	San Luis Obispo	\$244	\$317	\$342	\$488
Humboldt	\$263	\$342	\$368	\$526	San Mateo	\$317	\$412	\$444	\$634
Imperial	\$263	\$342	\$368	\$526	Santa Barbara	\$244	\$317	\$342	\$488
Inyo	\$263	\$342	\$368	\$526	Santa Clara	\$317	\$412	\$444	\$634
Kern	\$263	\$342	\$368	\$526	Santa Cruz	\$244	\$317	\$342	\$488
Kings	\$244	\$317	\$342	\$488	Shasta	\$263	\$342	\$368	\$526
Lake	\$263	\$342	\$368	\$526	Sierra	\$263	\$342	\$368	\$526
Lassen	\$263	\$342	\$368	\$526	Siskiyou	\$263	\$342	\$368	\$526
Los Angeles	\$483	\$628	\$676	\$966	Solano	\$263	\$342	\$368	\$526
Madera	\$244	\$317	\$342	\$488	Sonoma	\$263	\$342	\$368	\$526
Marin	\$317	\$412	\$444	\$634	Stanislaus	\$317	\$412	\$444	\$634
Mariposa	\$263	\$342	\$368	\$526	Sutter	\$317	\$412	\$444	\$634
Mendocino	\$263	\$342	\$368	\$526	Tehama	\$263	\$342	\$368	\$526
Merced	\$244	\$317	\$342	\$488	Trinity	\$263	\$342	\$368	\$526
Modoc	\$263	\$342	\$368	\$526	Tulare	\$244	\$317	\$342	\$488
Mono	\$263	\$342	\$368	\$526	Tuolumne	\$263	\$342	\$368	\$526
Monterey	\$244	\$317	\$342	\$488	Ventura	\$263	\$342	\$368	\$526
Napa	\$263	\$342	\$368	\$526	Yolo	\$263	\$342	\$368	\$526
Nevada	\$263	\$342	\$368	\$526	Yuba	\$263	\$342	\$368	\$526

2021 OUTREACH AND ADVERTISING PLAN

Program Goals

CDI's primary goal through the outreach and advertising campaign is to increase enrollment in the CLCA program and decrease the overall number of uninsured motorists. Outreach for 2021 will be completely run by the CDI Outreach Team and will focus on income eligible consumers and traditionally underserved communities where we find the greatest need. Outreach will be done through partnerships with elected officials, community based organizations and trusted messengers.

The expected outreach and advertising goals during 2021 include:

1. Increase the number of consumers enrolled in CLCA annually;
2. Increase awareness of CLCA through targeted media and outreach campaigns;
3. Maintain and update a consumer-friendly website to increase program enrollment;
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, and
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.
6. Enhance partnerships with key state government agencies to increase opportunities for cross-functional collaborations.

Targets

In 2021, the CLCA outreach and advertising program will target the following consumers:

- Uninsured drivers
- Drivers in marginalized and underserved communities
- Undocumented drivers
- Young and New Drivers
- Financially eligible consumers
- Community College Students
- Communities poorly served by public transportation
- Seniors
- Ethnically Diverse drivers

A major component of the outreach program targets organizations serving CLCA specific populations and who play an important trusted messenger role to share CLCA information. The team will partner with local elected officials and local community 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.

Objectives

The 2021 objectives for the outreach and advertising plan are provided in the charts below.

Outreach Strategies	Objectives
Recruit and Support Partners	
Network Partner Engagement	Recruit and engage partners to supplement outreach and education capacity and extend interface with low-income and hard-to-reach communities.
Strategic Statewide Partners	Recruit statewide partners who extend outreach to specific, targeted populations and incorporate CLCA into their existing service delivery.
Direct-to-Consumer Outreach	
Events and Presentations	Identify and staff virtual events at locations frequented by the target market and conduct informative presentations to organizations who interact with CLCA target populations and to consumers who attend events.
Pro bono Ethnic Radio/TV Interviews and PSA Placements	Identify and conduct ethnic media opportunities to promote CLCA to diverse audiences.
DMV Direct Consumer Outreach	Conduct visits to DMV locations in targeted underserved communities for direct consumer outreach.

Advertising Strategies	Objectives
Targeted Media	Develop a comprehensive media plan that includes radio, digital media, and social media in primary target counties, and targeted ZIP codes.
Brand Evolution	Monitor CLCA brand and recommend updates.
Collateral and Materials Development	Refresh or redesign materials based on the brand evolution, program and rate changes, and stakeholder feedback.

IS/IT Strategies	Objectives
Mylowcostauto.com Website	Work with website host and recommend improvements to consumer-facing website.
EQ and Online Application	Collaborate with website host to ensure EQ and online application are consumer-friendly and easy to use for the consumer and the Primary Online Producer (POP).
Maintenance and Support	Ensure site functionality and update based on legislative and program changes are maintained. Also includes managing the CLCA database and data analytics.

Outreach Strategies

The unemployed, working poor and underserved communities who need CLCA require multiple touches through a variety of communication channels. 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 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 potential Federal, State and Local community partners. The outreach team will also focus on establishing partnerships with local DMV Offices to provide direct consumer outreach at DMV locations where consumers are already thinking about insurance.
- **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 with CLCA target populations. Network Partners may be CBOs, social service agencies, schools, community colleges and other grassroots organizations.
- **Strategic Statewide Partners:** Strategic Statewide Partners are organizations that serve specific CLCA target populations and will deliver program information as a trusted community resource with a larger statewide reach. Examples of these partners include law enforcement agencies, 211 information lines and directories and Area Agencies on Aging.
- **Department of Motor Vehicle Partnership Opportunities:** CDI staff will conduct meetings with DMV staff at all target locations to develop partnerships to help increase awareness of the CLCA program. When in-person outreach is permitted, staff will post booths to inform members of the public who are visiting DMV offices. Offices will also be monitored for collateral inventory needs.

The DMV website houses a digital CLCA ad and targets consumers who register a vehicle online. The DMV website, as reported by consumers, is a top referral source for CLCA. As a public service announcement, the DMV will provide advertising for the CLCA program in all its online and printed publications in every language.

The 2021 targeted outreach deliverables are displayed in the graphic below.



Advertising Strategies

The Department will award a contract for marketing and advertising on or about April 1, 2021. The advertising plan will include creating a campaign to maximize online advertising to those seeking insurance, smog check or DMV auto registration services; ethnic print/radio/TV; advertise on billboards, buses or other public transportation hubs.

The following target audience will drive the 2021 advertising campaign:

- Uninsured Drivers
- Income eligible Californians actively shopping for auto insurance or near the date of automobile registration renewal
- Ethnically diverse drivers
- Drivers in marginalized and underserved communities
- Undocumented Drivers
- Seniors
- Young and New Drivers
- Community College Students
- Low Income Communities
- Communities Poorly Served by Public Transportation

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 2021, the IS strategy is to continue working collaboratively with the website host to provide maintenance and support, as well as make improvements that drive outcomes.

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 1,471 CAARP certified producers as of January 26, 2021.

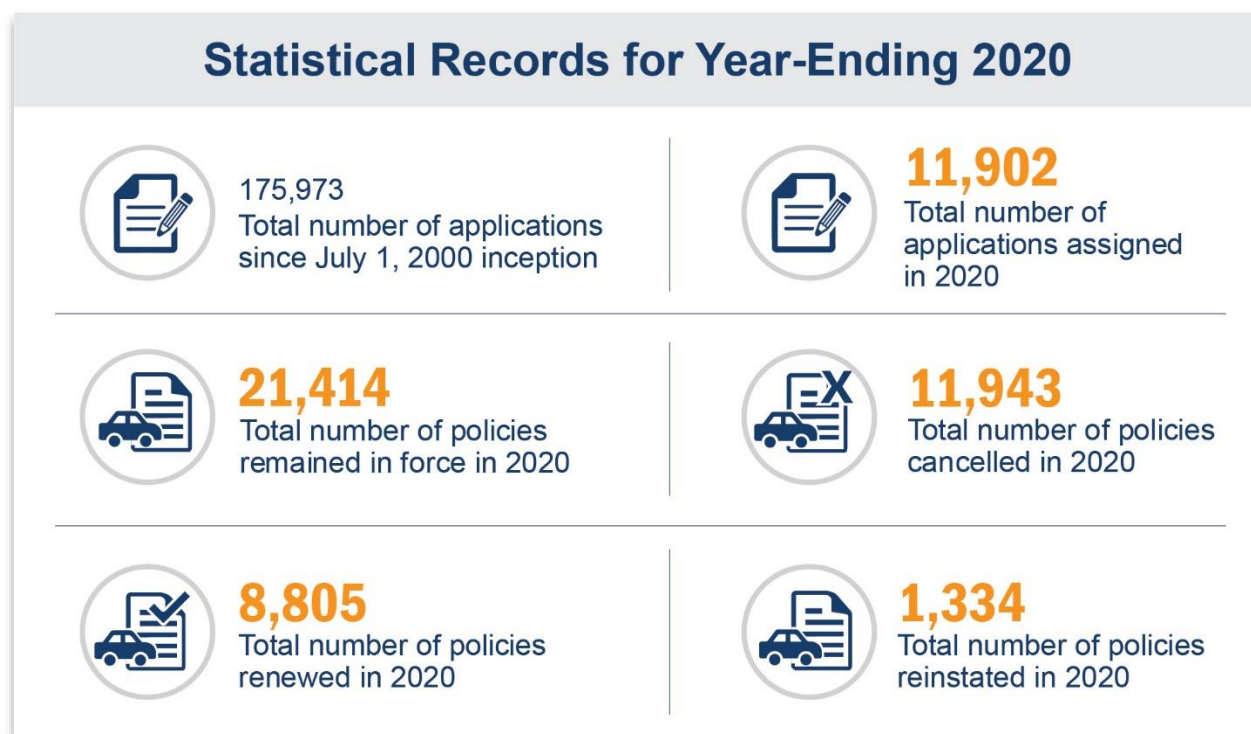
CAARP supports this insurance program with customer service, monitoring producer compliance and processing applications for assignment. This includes responding to email and phone inquiries from consumers, producers and insurance carriers. CAARP, working with the Advisory Committee and CDI,

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.

During 2020, CAARP prepared amendments for approval by the Office of Administrative Law (OAL). The following proposed amendments are pending approval by OAL:

1. Updates references to EASI with generic terminology.
2. Excluding coverage for any claim in violation of the Executive Order issued by the U.S. Department of Treasury that prohibits transactions with persons who commit, threaten to commit or support terrorism.
3. Amendments proposed to the Plan of Operations to incorporate Senate Bill 570 changes.



In 2020, CAARP approved one amendment, set to launch in 2021. Specifically, the amendment consolidated CLCA ZIP code statistical guideline pages into a single exhibit and included an authorization for the Plan to automatically update with the United States Postal Service releases changes.

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 2020 generated sufficient premiums to cover losses and expenses incurred by CLCA policies issued under each respective county program, even though the program consistently issues claim payment of \$4M+ on an annual basis.

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 federal policy guidelines. In 2020, CAARP statistics show approximately 78% 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 (81%) vehicle value for policies issued in 2020 was less than \$5,000.

Applications assigned in 2020 totaled 11,902, thus providing access to an affordable insurance option for income-eligible households. At the close of 2020, a total of 21,414 policies were in force.

CLCA Program Offered Access to Previously Uninsured Motorists, thus Reducing the Number of Uninsured Drivers

Statistics compiled by CAARP show that in 2020, 90% 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 145,000 formerly uninsured drivers have been or are currently insured through the CLCA program.

STATUTORY REVISIONS

During 2021, 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 2021 Legislative session.

IMPEDIMENTS TO SUCCESS

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

Eligibility Criteria

In 2020, the broad list of eligibility criteria disqualified 14% (7,330) consumers from applying. The program's eligibility criteria are listed below in descending order for disqualifying consumers:

1. Vehicle used for business
2. At-fault accident or moving violation
3. California resident
4. Meet income guidelines
5. Negative driving record

6. Own a vehicle valued at \$25,000 or less
7. Be at least 16 years of age
8. At-fault driving casualty
9. Hold a valid California driver's license
10. Provide proof of income
11. All vehicles in the applicant's name, with a limit of 2, must be enrolled
12. Student claimed as a dependent

Eligibility requirements including vehicle used for business and qualifying as a “good driver” were most problematic for the CLCA program during 2020.

The statistics reflect eligibility is an impediment to participation. In 2020, approximately 95,627 Californians expressed interest in the program, while 46,014 were deemed eligible. In other words, only 48% of those who sought out the program were eligible to participate. Although eligibility requirements are an impediment to enroll, interested consumers in 2020 were deemed eligible at a rate of 13% higher than consumers in 2019. This is a testament to how the pandemic created economic hardships to more Californians, who were then seeking cost-saving measures, such as auto insurance.

Converting “Eligible” Applicants into “Insured” Motorists

In 2020, 46,014 people were deemed eligible for CLCA using the program's online eligibility questionnaire. Of those eligible, 65% (30,016) visited a producer or applied online to complete the process of purchasing a CLCA policy. This is a 4% increase from 2019. Consumers visited the program website with more intentionality and may have been a result of the pandemic.

Applying online was the preferred application method for consumers, as 62% (28,631) of consumers-initiated applications. Of those initiated, 46% (13,261) were submitted. Thirty-five percent of consumers deemed eligible took no further steps to meet with a producer or apply online. Often low-income consumers opt to do nothing, as purchasing auto insurance competes with other more pressing financial priorities.

Closing the sale is a reported producer challenge. Producers report required documents or payment take more time to collect for roughly 71% of their CLCA customers. Some producers have implemented text message and email reminders with some success, but many consumers are simply not ready to purchase. To mitigate document submission barriers, consumers can now sign a Certification of Income Eligibility form to meet the proof of income requirement.

CONCLUSION

The program has proudly met the success measures outlined in statute and CDI will continue to work aggressively in 2021 to promote California's Low Cost Automobile Insurance Program.

The California Department of Insurance will also continue to work with our partners advocate for updates to enhance the program on behalf of the State's income-eligible motorists.