California's Low Cost Automobile Insurance Program

Sponsored by the California Department of Insurance

2025 Report to theLegislature& Consumer Education and Outreach Plan

Prepared for the California State Legislature March 15, 2025, 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

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Executive Summary

The California Low-Cost Auto Insurance (CLCA) program is a state-sponsored program that makes auto insurance affordable. It was designed to provide income-eligible drivers with affordable rates to meet California's mandatory auto insurance law. The CLCA Insurance program is brought to you by the California Department of Insurance and is administered by the California Automobile Assigned Risk Plan (CAARP).

Program Impact and Growth

Since its launch in 2000, CLCA has covered 260,748 California drivers. In 2024, the program experienced significant growth, with:

- 34,171 new applications assigned
- 19,035 policy cancellations
- 22,732 policy renewals
- 1,619 policy reinstatements
- 46,175 active policies at year-end—an increase of 54% from 2023

According to the California Assigned Risk Plan (CAARP), 73% of applicants in 2024 were uninsured during their CLCA application, highlighting the program's role in expanding access to essential coverage.

Increasing Demand for Affordable Insurance

As auto insurance premiums continue rising statewide, more drivers seek cost-effective options. Website traffic data reflects this growing demand:

- 488,254 first-time visits to the CLCA website in 2024, a 123% increase from 219,418 visits in 2023.

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, 2026, and after March 15 every five years thereafter.

California Low Cost Auto Insurance 2024 Overview Report

- 122.5% increase in unique website visits:
    - 2023: 219,418
    - 2024: 488,254
- 61.5% increase in CLCA applications
    - 2023: 21,157
    - 2024: 34,171
- 245 events attended, an increase of 14%
- 92,152 materials dispersed, an increase of 50%
- 46,175 active policies, an increase of 53.9%
- Ongoing collaboration with CA DMV resulted in over 7,200+ unique scans for the silent commercial, marking an increase of 129% in viewership for the English silent commercial since 2023, and a 125% increase in the Spanish commercial.
    - 2023 English: 1,351
    - 2024 English: 3,091
    - 2023 Spanish: 1,855
    - 2024 Spanish: 4,165

The Program

Pursuant to Vehicle Code Section 16020, California law requires all drivers to maintain evidence of financial responsibility. The Department of Motor Vehicles (DMV) mandates that car owners provide proof of auto liability insurance to register their vehicles. However, according to the Insurance Information Institute in 2022, nearly 17% of cars on California's roads remain uninsured.

To address this issue, the Legislature established the California Low-Cost Auto Insurance (CLCA) program in 1999 under California Insurance Code Section 11629.7. The program is designed to provide income-eligible drivers with affordable auto liability insurance and ensure compliance with the state's financial responsibility laws.

Program History and Expansion

Administered by the California Department of Insurance (CDI), CLCA began in 2000 as a pilot program in Los Angeles and San Francisco counties. In April 2006, the Legislature authorized its expansion to all 58 counties, as the California Insurance Commissioner deemed necessary.

Current Program Enrollment and Administration

As of 2024, there are over 46,000 active CLCA policies statewide. Policies are:

- Sold by licensed insurance agents and brokers ("Producers")
- Issued by licensed insurance companies in California
- Managed by the California Automobile Assigned Risk Plan (CAARP), which oversees the application process and assigns policies to insurers

Income Eligibility Requirements (Effective 2024)

To qualify for CLCA, applicants must meet income eligibility criteria based on household income (defined as all individuals listed on a federal or state income tax form).

- 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.

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
- ✓ Gave a good driving record
- ✓ Meet income eligibility requirements:
    - One person: $37,650
    - Two people: $51,100
    - Three people: $64,550
    - Four people: $78,000
    - Five people: $91,450

California Automobile Assigned Risk Plan (CAARP)

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

Since its inception in 2000, the CLCA program has been administered by CAARP, which assigns applications to insurance companies from its administrative office in Oakland. Applications are submitted by licensed fire and casualty agents or producers who are CAARP-certified to write CLCA policies. Certification requires completion of online training and verification of valid licensure.

As of January 2025, there are approximately 2,261 CAARP-certified producers. CAARP supports the program by:

- Providing customer service
- Monitoring producer compliance
- Processing and assigning applications
- Responding to email and phone inquiries from consumers, producers, and insurance carriers

In collaboration with the Advisory Committee and CDI, CAARP monitors CLCA plan rules and develops rate proposals for the Commissioner’s consideration, pursuant to California Insurance Code Section 11629.72. Additionally, CAARP collects and maintains program data, including applicant information, eligibility determinations, certified producers, and 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 inquiries 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
    - $30,000 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 2024 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.

To qualify for this program, you must:

- Have a valid California driver’s license (which includes AB60 license for undocumented drivers).
- Own a vehicle valued at $25,000 or less.
- Have a good driving recording or be a new driver.
- Meet household income guidelines.

These state benefits, among others, may qualify you for access to CLCA:

- ✓ Cal Fresh
- ✓ CalWorks
- ✓ Medi-Cal/Medicaid
- ✓ State of California Employment Development Department (EDD)
- ✓ Social Security or Pension

Annual Premium Per Vehicle – Effective 03/01/2024

County	Liability	Uninsured Motorist Bodily	Medical Payments	Youthful Person	Inexperienced Driver	Age 16-18 Driver
Alameda	$401	$56	$26	$521	$561	$802
Alpine	225	38	17	293	315	450
Amador	198	27	16	257	277	396
Butte	198	27	16	257	277	396
Calaveras	225	38	17	293	315	450
Colusa	198	27	16	257	277	396
Contra Costa	275	30	16	358	385	550
Del Norte	225	38	17	293	315	450
El Dorado	198	27	16	257	277	396
Fresno	266	35	21	346	372	532
Glenn	225	38	17	293	315	450
Humboldt	198	27	16	257	277	396
Imperial	198	27	16	257	277	396
Inyo	225	38	17	293	315	450
Kern	266	35	21	346	372	532
Kings	198	27	16	257	277	396
Lake	198	27	16	257	277	396
Lassen	225	38	17	293	315	450
Los Angeles	401	56	26	521	561	802
Madera	198	27	16	257	277	396
Marin	275	30	16	358	385	550
Mariposa	225	38	17	293	315	450
Mendocino	198	27	16	257	277	396
Merced	198	27	16	257	277	396
Modoc	225	38	17	293	315	450
Mono	225	38	17	293	315	450
Monterey	266	35	21	346	372	532
Napa	266	35	21	346	372	532
Nevada	198	27	16	257	277	396
Orange	401	56	26	521	561	802
Placer	266	35	21	346	372	532
Plumas	225	38	17	293	315	450
Riverside	275	30	16	358	385	550
Sacramento	275	30	16	358	385	550
San Benito	198	27	16	257	277	396
San Bernardino	266	35	21	346	372	532

County	Liability	Uninsured Motorist Bodily	Medical Payments	Youthful Person	Inexperienced Driver	Age 16-18 Driver
San Diego	275	30	16	358	385	550
San Francisco City & County	401	56	26	521	561	802
San Joaquin	266	35	21	346	372	532
San Luis Obispo	266	35	21	346	372	532
San Mateo	275	30	16	358	385	550
Santa Barbara	266	35	21	346	372	532
Santa Clara	401	56	26	521	561	802
Santa Cruz	266	35	21	346	372	532
Shasta	138	27	16	257	277	396
Sierra	225	38	17	293	315	450
Siskiyou	225	38	17	293	315	450
Solano	275	30	16	358	385	550
Sonoma	266	35	21	346	372	532
Stanislaus	266	35	21	346	372	532
Sutter	198	27	16	257	277	396
Tehama	198	27	16	257	277	396
Trinity	225	38	17	293	315	450
Tulare	198	27	16	257	277	396
Tuolumne	225	38	17	293	315	450
Ventura	275	30	16	358	385	550
Yolo	266	35	21	346	372	532
Yuba	198	27	16	257	277	396

Application Process

Consumers can apply for CLCA online at the mylowcostauto.com website, or 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 the information and obtain 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 2024 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.

Once assigned, the insurer will contact the consumer within 45 days, providing an Insurance Declaration Page and an additional insurance card. To continue coverage beyond this period, the consumer must complete and return a renewal questionnaire to their insurance carrier annually.

Summary of 2024 Activities

In 2024, the California Department of Insurance (CDI) continued its partnership with Fraser Communications and the Foundation for California Community Colleges on the development and execution of integrated marketing, communication and community engagement efforts. Fraser also facilitated a producer research project that focused on understanding producer needs and how to better engage with consumers on CLCA program.

During 2024, the California Department of Insurance (CDI) and CAARP made the following improvements regarding the program:

- Continued the bi-annual webinars with CLCA Certified Producers designed to share program updates and best practices to maximize program visibility
- Updated marketing collateral with a new design featuring Sequoia and the bear and producer focused outreach material
- Enhanced the CLCA website by using clearer, more concise language to improve accessibility and user experience

CDI staff and partners consistently conduct statewide outreach and educational presentations, expanding consumer engagement and awareness year-round.

Network partners play a vital role as trusted messengers for CLCA-eligible consumers, strengthening outreach efforts and connecting with low-income and hard-to-reach communities, particularly those within their existing client base. By integrating CLCA program information with other low-income assistance programs, these partners enhance their impact. While assisting potentially eligible individuals, they provide information, referrals, and screening support alongside their core services. They also serve as key access points, ensuring program materials are prominently displayed and highly visible at events and in community spaces.

Partnerships

Fraser Communications

In 2024, the partnership with Fraser Communications, CDI's media and marketing partner, continued with a comprehensive mix of traditional and digital marketing, complemented by targeted event outreach that concluded in early November.

Beyond the paid media campaign, Fraser successfully secured multiple interviews on public affairs radio programs across the state, featuring CDI representatives who highlighted the CLCA program's benefits and guided eligible Californians on how to apply for coverage.

Fraser's strategic efforts delivered over **101 million impressions** in 2024, driving **700,135 website sessions** to mylowcostauto.com. All campaign activities prioritized outreach in underrepresented ZIP codes identified by the Department of Insurance, with the goal of reducing the number of uninsured drivers on California roads.

To maximize engagement, Fraser recommended a data-driven approach to social, display, and search engine marketing, ensuring broad audience reach while encouraging direct action. In traditional media, they focused on high-need areas, utilizing outdoor advertising such as bus tails and billboards in key regions, including Los Angeles, Riverside, San Bernardino, Orange, Sacramento, Fresno, San Joaquin, Stanislaus, Alameda, Santa Clara, and San Diego.

This integrated, data-driven approach ensured maximum visibility, engagement, and enrollment among California's underserved communities.

Media campaign target audience:

- Lower income uninsured: recommended at less than $60,000 for household income size
- Underserved communities: African-American, Hispanic, Indigenous
- Median age: 42
- Female skew: 1 in 4 women 50+

Plus, CLCA eligibility requirements for added digital targeting.

The target areas include 145 zip codes throughout the state, provided by CDI:

Priority Zip Codes by MSA	Popluation	% of Total
Los Angeles	3,847,502	70.38%
Riverside-San Bernardino	333,239	6.10%
San Francisco	319,205	5.84%
San Jose	245,898	4.50%
Fresno	216,128	3.95%
San Diego	121,178	2.22%
Sacramento	72,221	1.32%
Santa Maria-Lompoc	59,814	1.09%
Stockton	50,632	0.93%
Modesto	50,271	0.92%
Non Metro (Imperial)	49,227	0.90%
Oxnard-Ventura	46,594	0.85%
Visalia	25,667	0.47%
Bakersfield	16,542	0.30%
Monterey-Salinas	8,425	0.15%
Merced	4,146	0.08%
TOTAL	5,466,690	100%

Traditional Media

Traditional media played an integral role in the omnichannel marketing strategy for the CLCA program, with nearly 6.8 million in added value across outdoor, print digital, radio,

streaming audio, and podcasting. Bus tails, Bus Kings, and Jr. Posters were included in the mix that ran in Q1 (January-March) and Q4 (October-December) of 2024, delivering 16.2 million impressions. Print and Digital ads in English included the Stockton Record and Gilroy Dispatch and in Spanish included the LA Times Spanish, Vida de Valle, La Opinion largest Spanish-language newsletter in the US and the second-most-read newspaper in LA.

Traditional and Streaming Audio

Radio ran across English and Spanish-language channels during Q1 and then again in Q4, and targeted key ZIP codes within Los Angeles (including Orange County), as well as Riverside-San Bernardino, San Francisco, San Jose, Fresno, and San Diego. The spots were targeted at 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. Over 7 million impressions to 25-54 year-olds, with a 14% lift in traffic from the ads to the website. The campaign data revealed that website visits peaked when digital and traditional media ran simultaneously, with radio driving a 30%+ increase in website traffic. Search advertising achieved the highest click-through rates (CTR) of 10-15%, while social media and TikTok also performed strongly, achieving a CTR of 1.75%. Spotify and Podcasting streaming audio accounted for 29% of impressions in Q4.

Radio Stations 2024:

- Fresno: 101.9 FM
- Los Angeles: 107.5 FM
- Los Angeles: 107 FM
- Riverside: 99.9 FM
- San Diego: 104.5 FM
- San Jose: 100.3 FM
- Stockton: 100.9 FM

Public Affairs

Fraser continued distributing, tracking, and promoting California's Low-Cost Auto Insurance radio public service announcements (PSAs) to radio stations throughout California. Multiple interviews ran on iHeart LA in the summer, as well as with Audacy San Diego, CLCA Insurance program offers coverage at affordable rates (audacy.com). An interview ran on Mt. Wilson stations as well as Salem Public Service radio, KKJZ-FM, KKGO-FM, KMZT-AM and KKGO-FM. Amy Nungaray, CLCA program manager, also did interviews with Telemundo 52 and Televisa Univision. The radio PSAs have an estimated 3,500 - 7,000 impressions each time.

Social Media Advertising

Fraser executed a paid media campaign on Meta platforms (Facebook & Instagram), deploying a mix of posts and carousels in both English and Spanish across the state. The campaign is designed for sustained impact, running through next year with planned creative refreshes to maintain engagement. By implementing Advantage+, Fraser optimized ad performance, driving higher traffic to top-performing creatives and enabling precise audience customization. As a result, the campaign generated 15,044,435 impressions—more than doubling last year's reach—and significantly increased website clicks for CLCA.

Beyond paid media, Fraser and CDI have strengthened the brand's organic social media strategy to enhance visibility and credibility. By maintaining a consistent presence with an average of two posts per month on Twitter, Instagram, and other social platforms, @mylowcostauto achieved steady audience growth, reaching 3.7K followers in 2024.

Influencers

CLCA program featured influencers speaking on the CLCA program. This included Saprina, a mom and content creator that focuses on cost savings for families as well as a new influencer, Zavier, a San Diego-based content creator specializing in academics, college prep, and cost-saving strategies for students. His engaging video content resonated strongly with our target audience. Combined with Sabrina, their videos drove 3,000 landing page views and accumulating over 160,000 video views with a 1.2% completion rate. The TikTok influencer campaign also generated over 200 paid likes and 12 shares, reinforcing its impact. CTR surged by 60.53% month-over-month, while campaign CPC decreased by 18.56%, demonstrating improved efficiency. Notably, TikTok Search contributed 120 clicks with a 0.83% CTR and an impressive 39.62% conversion rate (landing page views). Demographic insights revealed that males (over 50%) and individuals aged 25-34 (over 60%) showed the highest engagement, highlighting a valuable segment for future outreach.

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 ran statewide in English and Spanish throughout 2024, and digital banners delivered 9,725,524 impressions, 7,000 more impressions than last year.

Video

Fraser continued running the 30-second video used in Connected TV platforms and YouTube with an over 98% completion rate on CTV and 1.055% CTR, Spanish delivering a higher CTR over English. It was also translated for Crossings TV network to run in Filipino and Hmong and the video ran throughout the Central Valley.

Search

Fraser strategically leveraged paid search engine marketing on Google to capture high-intent consumers actively searching for low-cost car insurance. Running in both English and Spanish, the campaign demonstrated strong month-over-month performance up until end of Q3 through Q4 due to increased marketing competition. In 2024 the strongest month for Search was in September, which produced 322 Apply Now events, 16k impressions and 1,500 clicks. 55% of users who saw the ad engaged by clicking through, signaling strong relevance and targeting effectiveness. Fraser continues to refine its search strategy to maximize efficiency and maintain visibility in a highly competitive landscape.

Top search terms in English and Spanish included:

- auto insurance california
- car insurance for good drivers
- car insurance
- affordable car insurance
- aseguranza de carro California
- Affordable Auto Insurance
- Liability Car Insurance San Diego
- aseguranza de carros California
- auto insurance quote
- car insurance quote

Webinars

In collaboration with Fraser, CDI, and insurance brokers, biannual webinars were conducted in January and June 2024 to provide producers with key industry updates and training. These sessions served as an interactive platform for producers to gain insights into upcoming changes, address common challenges, and engage directly with the team to share feedback and request support. The webinars reinforced ongoing

collaboration and ensured producers remained informed and equipped to navigate evolving industry developments.

Event Outreach

Fraser and VPE led targeted outreach initiatives, supporting 16 regional events aimed at seniors, students, and families eligible for the CLCA program. Their efforts from March to November included distributing program materials and providing information and guidance to facilitate access to CLCA resources.

Producer Research

The primary goal of this research was to understand the factors that motivate or deter producers from selling low-cost insurance and to gather insights that could help the CLCA program succeed with them in the future. The focus groups included a diverse mix, evenly split by gender and age (half under 50 and half over 50). All but one participant had at least one year of experience as an auto insurance producer.

Participants were drawn from across California and consisted of two groups. **Current CLCA agents:** Selected from the top 100 Participating Low-Cost Insurance Agents between September 2023 and August 2024 and **Non-CLCA agents:** Auto insurance producers who had never sold CLCA before.

Key findings from the research included:

- **Producers Are Overwhelmed** – Many describe the role as more challenging than ever, with increased competition, fewer options, and constant time constraints.
- **Low Awareness of CLCA** – Many producers, especially non-CLCA participants, lack knowledge of the program due to time limitations.
- **Financial Benefits Drive Interest** – Producers prioritize financial gains; clear, upfront communication on commissions (12%) and profitability is essential.
- **CLCA Benefits Both Business & Community** – Producers see CLCA as a way to give back while also growing their client base through referrals and future policy upgrades.
- **Barriers Include Misconceptions About Time & Bureaucracy** – Non-CLCA producers assume sign-up and processing take too long, while current CLCA producers note frustrations with outdated systems.
- **Captive vs. Independent Producer Differences** – Captive producers have less choice in selling CLCA, while independent producers are more open to it due to their community focus.

- **Website & Education Gaps Hinder Adoption** – Producers struggle to find clear, producer-specific information online; upfront financial details and simplified enrollment steps could boost interest.

Quotes pulled from the focus group:

"I got involved in it when I relocated from Arizona, and I was dirt poor. I tried to apply for the low cost, but a broker tried to sell me something else. I was very upset because it's kind of embarrassing. I had to start my life over and I didn't want to go into it and explain why I qualify. But he kept scaring me, so I decided that I'm going to do the low cost and really help people and put him out of business if I could."

- Holly

"It's important that an agency be a good corporate citizen. Ethically we need to be doing that to be part of our community. And, believe me, that word of mouth is going to go around. It speaks a good talking point about the agency that they're able to help out."

- Greg

"There's a lot of people moving into California that don't have the type of income and money of people that have been living here for a long time. So, it would give us an option to be able to cater to clients like these, aside to what we're typically catering to and like the Ventura area."

-Michelle

"I just like helping people who are low income. They're not bad people. They're decent regular people. They just have a low income. So at least that's what I've experienced. It feels good to help them."

- Deborah

"We're all just trying to meet people where they are. And if that's where you're at right now, at least I can help you from getting your registration suspended and getting you pulled over and your car towed. That's definitely beneficial."

- Zach

"Is it a great option? Absolutely. Not only is it a good option for the customer, but in the long- term, if I acquire that customer with low-cost insurance, not only will there be more referrals, but in the future, if they are doing better and they become better financially set, I have a customer who will remember that I looked out for them when they had nothing."

- Ella

Foundation for California Community Colleges

The California Department of Insurance continued its partnership with the Foundation for California Community Colleges (FCCC) to enhance awareness of the California Low-Cost Auto Insurance Program among California's student population. This collaboration aimed to ensure that students, particularly those from low-income backgrounds, had access to affordable auto insurance options. From January 2024 to March 2024, the student ambassador cohort has 40 active student ambassadors, including 5 in a foster youth cohort. The cohort is made up of a partnership with 23 CCCs across the state.

Through this partnership, FCCC provided ongoing opportunities for community college students to learn about the CLCA program through digital outreach, campus events, and peer-to-peer engagement. The initiative continued until March 31, 2024, expanding its reach and impact across multiple campuses.

Between January 2024 and March 2024, the student ambassador cohort consisted of 40 active student ambassadors, including five ambassadors in a specialized foster youth cohort. These ambassadors played a key role in educating their peers about the benefits and eligibility requirements of the CLCA program. The cohort was formed through partnerships with 23 community colleges statewide, creating a widespread grassroots outreach effort to inform students directly where they study and live.

From July 1, 2022, to March 31, 2024, the total number of impressions generated through the FCCC partnership reached an impressive 5,062,009. These impressions resulted from a combination of digital marketing efforts, social media engagement, email campaigns, and in-person outreach activities, reinforcing the program's visibility among California's diverse student population.

Network Activation College Partners 2024:

1. Bakersfield College
2. Contra Costa College
3. Diablo Valley College
4. Fresno City College
5. Los Angeles City College
6. Monterey Peninsula College
7. Moreno Valley College
8. Mt. San Antonio College
9. Pasadena City College
10. Rio Hondo College
11. San Diego Mesa College

12. Solano Community College
13. West Los Angeles College

Social Media Data

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

Social media platform views (impressions):

- Facebook: 33,227
- Instagram: 77,459
- X Spanish: 300,796
- X English: 91,012

Outreach Summary

During the first three months of 2024, a total of 36,807 students across the community college system were engaged through both in-person and digital outreach efforts. Student ambassadors launched their Spring outreach activities in late January, while network activation partners also initiated their outreach efforts at the beginning of the year. These activities encompassed a variety of engagement strategies, including social media posts, newsletter distributions, in-person presentations, and on-campus events, ensuring widespread awareness of the CLCA program among students.

Quarter 3 January 2024 – March 2024 outreach summary:

- Student ambassadors:
    - Digital outreach: 10,362
    - In-person outreach: 823
    - **Total: 11,185**
- Network activation:
    - Digital outreach: 22,117
    - In-person outreach: 3,505
    - **Total: 25,622**
- Total number of student connections: **36,807**

Press Conference

In May 2024, with the partnership of FCCC and Los Angeles City College (LACC), CDI hosted a press conference to discuss the success of outreach regarding the program. Student ambassadors spoke on behalf of the program, sharing their tales of how CLCA has helped their peers and how they intend to continue to do outreach for future students.

The California Low-Cost Auto Program successfully partnered with the Foundation for California Community Colleges for over two years to enhance program visibility and outreach efforts. Through this collaboration, CLCA engaged with students and faculty across various campuses, conducted informational sessions, and leveraged FCCC's network to increase awareness of affordable insurance options.

Department of Motor Vehicles

In 2024, the partnership between the Department of Motor Vehicles (DMV) and the California Low-Cost Automobile Insurance (CLCA) program continues to demonstrate significant success through the use of a bilingual silent commercial. This innovative approach effectively reaches both English- and Spanish-speaking communities, ensuring broader accessibility to essential information about affordable auto insurance.

The 30-second commercial, aired in DMV offices statewide, delivers key details about the CLCA program, helping low-income drivers understand their options for obtaining affordable coverage required for vehicle registration. This collaborative effort between the DMV and CLCA underscores a shared commitment to equitable access, community engagement, and road safety. By increasing awareness and participation, the initiative supports compliance with state insurance regulations, ultimately contributing to safer roads across California. An increase of 129% viewership for the English silent commercial occurred since 2023, and a 125% increase occurred in the Spanish commercial as well. With a total of 7,200+ increase in unique scans this was an overall increase of 77% compared to the previous year.

DMV silent ad unique scans 2024:

- English: 3,091
- Spanish: 4,165

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 are 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 2024 generated sufficient premiums to cover losses and expenses incurred by CLCA policies. In 2024, the program issued claim payments in the amount of $8.37M+.

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 2024, CAARP statistics show out of the policies issued the average household income was at or below $15,000 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 2024 was a little over $6,000.

CLCA program offered access to previously uninsured motorists, thus reducing the number of uninsured drivers. Statistics compiled by CAARP show that in 2024, 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 190,000 formerly uninsured drivers have been or are currently insured through the CLCA program.

Statutory Revisions

During 2025, 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 2026 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 2025 is up to $1.2 million.

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 ***35,000,000*** impressions for Quarter 1 and Quarter 2 in 2025. This multifaceted approach ensures 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 2025 include:

- Expanding enrollment in the CLCA program by increasing the number of uninsured drivers who sign up.
- Enhancing awareness of CLCA through targeted media and outreach campaigns designed to reach key demographics.
- Maintaining and continuously improving a consumer-friendly website to provide clear and accessible information.
- Building and strengthening local and statewide trusted messenger partnerships to expand outreach and education efforts, ultimately reaching more low-income and hard-to-reach communities.
- Maximizing social media, direct marketing, and advertising opportunities through collaborations with Federal, State, County, and Local City legislative offices, as well as community-based organizations.
- Strengthening partnerships with key state government agencies to create new opportunities for cross-functional collaboration and program integration.

A key resource for the outreach program is organizations that serve CLCA-specific populations, acting as trusted messengers to share vital program information. To expand outreach efforts, the team will collaborate with local elected officials and community-based organizations to host CLCA educational workshops both virtually and, when possible, in person at schools, libraries, and community centers. Additionally, the team will engage in direct outreach and provide support through other driver-related and income-eligible state programs and services, including the DMV, CalWORKs, and County Public Health Offices, ensuring broader access to CLCA information for those who need it most.

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:

Partnership initiative

The CDI team has launched a new partnership initiative incorporating multiple aspects of digital training, material development, and traditional presentations. One key component of this initiative is the Train the Trainer program, which takes place at the end of each month. Each session is designed to engage key target demographics and encourage partnerships to help disseminate vital insurance information. In January 2025, the focus was on CLCA, aligning with the increase in minimum liability limits set to take effect on January 1st.

These informative sessions aim to educate and engage communities on the critical importance of insurance coverage. Participants will gain access to CDI's comprehensive "Insurance Essentials" and "Insurance Fraud Prevention" outreach toolkits—valuable resources filled with consumer information that can be utilized by organizations, businesses, families, and individuals to promote financial protection and informed decision-making.

In addition:

CDI Outreach Team: The outreach staff play a central role in our strategy, building and maintaining strong relationships with Federal, State, and Local community partners to expand program awareness and engagement.

Strategic Statewide Partners: These organizations serve specific populations, including potential CLCA participants, and act as trusted community resources with a broader statewide reach. By delivering program information through established networks, they help extend CLCA's impact. Examples of these partners include law enforcement agencies, 211 information lines and directories, and local senior centers.

Advertising Strategies: The 2025 advertising strategy with Fraser Communications will deploy a multi-channel approach, leveraging traditional media in priority counties and markets and complemented by a robust statewide digital media campaign. These efforts will drive awareness of Low-Cost Auto Insurance and strategically engage lower-income individuals, guiding them to enroll at MyLowCostAuto.com. The CLCA program will also introduce new influencers who will create culturally relevant video content to enhance community trust and engagement. As trusted voices within their communities, these Influencers will be pivotal in increasing program understanding and adoption.

Producer Survey: Fraser Communications is conducting a follow-up survey via email with producers in 2025 to gain deeper strategic insights into their motivations and needs. This data will inform and optimize future communication and work with producers.

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 2025, the IS strategy is to continue working collaboratively with the website host to provide maintenance and support and make improvements that streamline the application process. The website's newly created materials and background will replace the current files to achieve consistency with the current branding.

Impediments to Success

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

Modernized Customer Service

Previously, payment and fee challenges were listed. To address the issue, in 2025, a new payment vendor system will be implemented to enhance the customer experience by minimizing transaction fees for CLCA consumers and ensuring consistency in fees across all carriers. Currently, CLCA consumers face varying customer service fees depending on their carrier, and many have expressed a desire for the ability to pay their premiums online without incurring additional costs. This new system will address these concerns by streamlining payment processes and aligning CLCA services with those traditionally offered by insurance carriers, improving accessibility and convenience for policyholders.

Expansion beyond liability coverage

Many consumers purchase vehicles using auto loans, and most auto loans require auto insurance that covers physical damage to the consumer's vehicle, which is not available for purchase through the CLCA program. Also, CLCA policies cannot be used for commercial purposes (e.g., rideshare services like Uber and Lyft), which may deter some eligible drivers. 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 2025 to spread awareness of the CLCA program and will continue to advocate for greater accessibility on behalf of low-income eligible motorists. The program's continued efforts to expand access to affordable auto insurance for eligible Californians. Through targeted outreach, strategic partnerships, and data-driven marketing initiatives, the program has strengthened its reach and impact across diverse communities. Legislative updates and operational enhancements have further streamlined program accessibility and efficiency, ensuring that more qualified drivers can benefit from its offerings. As we look ahead, ongoing collaboration with stakeholders and continued investment in outreach and innovation will be key to sustaining the program’s success and addressing the evolving needs of California’s low-income drivers.