



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

January 2025

Re: Survey of Marketing System Information from
All California Licensed Property and Casualty Insurance Companies

To Whom It May Concern:

The Department of Insurance is updating the insurers' marketing systems data. All California Licensed Property and Casualty Insurance Companies are hereby required to complete the attached survey regarding each company's current marketing system by June 30, 2025.

Please complete the attached survey. If your company writes a line of insurance consisting of both personal and commercial business, please provide the breakdown for personal vs. commercial data as requested for each category and for each applicable marketing system.

An "Insurance Marketing System" is a method of producing or selling insurance. For this survey, Marketing Systems are defined as follows:

- (1) Captive Agents - defined as policies sold through a company's, or an affiliated company's, exclusive agents on a commission basis. Factors that the Department considers when determining whether a company's marketing system is captive include whether: the agents pay their own business expenses; the agents represent only one company or group of affiliated companies; the company pays commissions to these agents in the range of approximately 5 to 15% of these sales; and the agent has any equity interest in the policies they sell.
- (2) Direct Writers - defined as policies sold directly to the public by mail, telephone, internet, mobile application, or by the insurance company's employees and/or employees of an affiliated insurance company. Factors that the Department considers when determining whether a company's marketing system is direct include whether: the company sells policies directly through a website on the internet or mobile application; and the company pays minimal commissions (approximately 1 to 3% or less) on these sales.
- (3) Independent Agents/Brokers - defined as policies sold through independent agents/brokers; Factors that the Department considers when determining whether a company's marketing system is independent include whether: the agents/brokers pay their own business expenses; the agent/brokers own their renewal business; the agents/ brokers represent several insurance companies; and/or the company pays more than minimal commissions (approximately 18% or higher) to these agents/brokers on these sales.

If your company is licensed in California but is not currently writing any business, please mark the applicable box on the Signature Page of the survey.

If your company is currently writing in California, please complete the Marketing System Survey.

The survey can be downloaded from the Department's internet site at:

<https://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/rsb-forms/>.

Please submit the completed survey to the Rate Specialist Bureau by sending an electronic copy of the file by e-mail to: rsbmktsys@insurance.ca.gov.

Any questions or correspondence can be directed e-mail: rsbmktsys@insurance.ca.gov

**** The completed survey is due: June 30, 2025 ****

Your cooperation is appreciated.

Sincerely,

Roy Chan
Chief, Rate Specialist Bureau
Rate Regulation Branch