



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

April 17, 2026

Re: Your letter opposing transparency and accountability reforms

To the Undersigned Organizations:

Thank you for your letter regarding the California Department of Insurance's proposed reforms to the intervenor and Administrative Hearing Bureau processes. I value public participation, and I welcome disagreement.

But let me be clear: I will not withdraw these regulations. By the time you receive this response, the Department will have already submitted the final regulatory package to the Office of Administrative Law for approval. California's insurance market is in crisis. Many families cannot find coverage. Those who can find it often cannot afford it. Every dollar in the rate review process belongs to consumers, and I will not allow any organization — insurer or intervenor — to operate within the process without transparency, accountability, and guardrails.

For too long, the intervenor system under Proposition 103 has lacked basic accountability standards to protect policyholders' money. These reforms address that. They modernize a 35-year-old framework that has not kept pace with the complexity of today's insurance market or the expectations of Californians who are struggling under the weight of rising premiums. Your letter mischaracterizes both the intent and the effect of these regulations, and it is important to address those points directly and clearly.

To begin, these reforms do not "attack" consumer participation – they protect it. Prop. 103 guarantees the right of any person to intervene, and nothing in these regulations changes that. What they do change is the ability of any intervenor to bill consumers for work that is duplicative, wasteful, and unrelated to the issues in the proceeding, or unsupported by evidence. The Department's own intervenor eligibility ruling for Consumer Watchdog, issued in August 2024, documented serious deficiencies in the intervenor process, including lack of transparency about who intervenors represent, lack of accountability to actual consumers, failure to describe work performed, duplication of Department analysis, and reliance on intervenor fees as a primary funding source, among other findings. These are not theoretical concerns. They are documented in the public record available on the Department's website [here](#).

Furthermore, the claim that these reforms are “stifling consumer voices” is false. These regulations do not limit who may intervene, do not limit the issues they may raise, do not limit their right to challenge rates, and do not limit their right to compensation when they make a substantial contribution. What they do is ensure that compensation is earned, not assumed. Subsequent amendments taken to the regulation replace the vague “vexatious” standard with a “wasteful” standard, and focus on whether work done truly advances the issues in the proceeding. That is not an attack on consumer rights; it is a protection of hard-earned consumer dollars.

Your letter also suggests that these reforms eliminate challenges to rate increases under 7%, which is incorrect. Since its passage in 1988, Prop. 103 already limits mandatory hearings to any increases above 7%, and these regulations do not change that. Consumers may still file petitions, raise issues, present evidence, and participate fully in any proceeding. The regulations simply clarify definitions to prevent serial, duplicative filings designed to generate fees rather than advance consumer interests.

In addition, the claim that the Commissioner can “retroactively deny payment” is misleading. The regulations require clear documentation, clear descriptions of work performed, clear evidence of contribution, and clear alignment with the issues in the proceeding. This is not retroactive punishment. It is basic accountability – the same standard applies to every public dollar spent in California.

The suggestion that intervenors should operate without scrutiny is unacceptable. Your letter ignores the reality that intervenor fees are ultimately paid by consumers, the same consumers who today many cannot find or afford insurance. It also ignores the public statements of Consumer Watchdog’s founder, who [reportedly told](#) Capitol Weekly last September: “I make a lot of money...and the more important thing is other than the insurance industry, nobody is complaining...I was much more of a public figure back in the day.” That cavalier attitude toward consumer dollars is exactly why these reforms are necessary. No organization — insurer, intervenor, or otherwise — should get a pass, especially when Californians are struggling.

These reforms strengthen – not weaken – Prop. 103. They increase public access to documents, require timely online posting of pleadings and decisions, establish firm timelines for the Department’s administrative law judges, clarify prospective applications, strengthen scrutiny of excessive billing, and reinforce the Commissioner’s authority under Prop. 103. This is the first comprehensive modernization of the intervenor system since 1988, and it is long overdue.

The Department’s record speaks for itself. From 2019 to 2025, the Department’s oversight saved Californians \$6.6 billion in premiums, and \$3.3 billion in refunds to drivers during the COVID pandemic. These savings were achieved through rigorous Department expert review,

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not through duplicative filings or fee-driven participation. The Department is and always will be the primary protector of consumers in the rate review process.

Accountability is not optional. California is modernizing its entire insurance regulatory system through the Sustainable Insurance Strategy, the most comprehensive overhaul in more than 35 years. Every participant in this system must be accountable: insurers, reinsurers, rating agencies, the Department, and, yes, intervenors. Transparency is not an attack.

Accountability is not an attack. Sunshine is not an attack. It is the foundation of public trust.

I respect the work many of your organizations do on behalf of Californians. But on this issue, we disagree.

These reforms are necessary, lawful, and overdue. I will not withdraw the regulations. I will not delay them. And I will not allow any organization to operate without guardrails that enhance accountability of public dollars when consumers are struggling to find and afford insurance. Every dollar counts. Every consumer matters. And every part of the system must be accountable.

If you would like further clarification on this critical issue or any insurance matter for that matter, or if I can be of assistance, as always do not hesitate to contact me directly. I remain committed to working with you, even when we disagree, to protect Californians and strengthen our insurance system. Accountability is not optional, and partnership does not mean silence.

Sincerely,

A handwritten signature in black ink, appearing to read "Ricardo Lara". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

RICARDO LARA

California Insurance Commissioner

To the undersigned groups:

Dolores Huerta, President
Dolores Huerta Foundation

Rosemary Shahan, President
Consumers for Auto Reliability and Safety

Robert Herrell, Executive Director
Consumer Federation of California

Matt Broad, Legislative Advocate
Teamsters California
California Conference of Machinists

Noe Páramo, Legislative Advocate
California Rural Legal Assistance Foundation

Hene Kelly, Legislative Director
California Alliance for Retired Americans

Ruth Susswein, Director of Consumer Protection
Consumer Action

Douglas Heller, Director of Insurance
Consumer Federation of America

Mark Toney, Executive Director
TURN – The Utility Reform Network

Amy Bach, Executive Director
United Policyholders

Carmen Comsti, Director of Government
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California Nurses Association

Nancy Drabble, Executive Director
Consumer Attorneys of California

Carly Fabian, Senior Insurance Policy Advocate
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Arthur Levy, Director of Litigation
Housing and Economic Rights Advocates

Sal Rosselli, President Emeritus
National Union of Healthcare Workers

Joy Chen, Executive Director
Eaton Fire Survivors Network

Michael Lighty, President
Healthy California NOW

Brian Brosnahan, President
Life Insurance Consumer Advocacy Center

Kevin Stein, Chief of Legal and Strategy
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Edward Lopez, Executive Director
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Harvey Rosenfield
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