



## Kriss Worthington

Councilmember, City of Berkeley, District 7  
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### CONSENT CALENDAR

April 20, 2010

To: Honorable Members of the City Council  
 From: Councilmember Kriss Worthington  
 Councilmember Jesse Arreguin  
 Councilmember Darryl Moore  
 Mayor Bates

Subject: Oppose Statewide Proposition 17 – Increasing Car Insurance for Not Driving

#### RECOMMENDATION

Oppose Proposition 17, an initiative that will increase car insurance premiums for any lapse in policy coverage.

#### BACKGROUND

Proposition 17 will allow big insurance companies like Mercury Insurance to raise auto insurance premiums for millions of Californians. Prop. 17 will require Californians who cancel auto insurance for as little as 91 days over the past five years to pay a financial penalty to restart their coverage. Middle class and poor families, students, and military veterans will suffer the most from this deceptive initiative to raise rates on Californians.

Many consumer advocate groups strongly oppose Proposition 17. According to the Campaign for Consumer Rights, a California-based nonprofit Mercury Insurance “want[s] to penalize people who didn’t buy insurance because they stopped driving.” This would be particularly true for young people, immigrants and military service personnel who often times do without insurance for periods of time.

The lead sponsor Mercury Insurance is responsible for 99% of the initial funding and according to the California’s Department of Insurance, has a “lengthy history of serious misconduct” and “abuse of its customers.”

#### FINANCIAL IMPLICATIONS

None.

#### CONTACT PERSON

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