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CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

Commissioner Lara Announces Major Reforms to the Intervenor Process, Enhancing Transparency and Accountability in Rate Reviews

September 19, 2025 – Insurance Commissioner Ricardo Lara today announced significant reforms aimed at modernizing California’s insurance market. The proposed regulations seek to enhance transparency, fairness, and accountability in the rate review process under Proposition 103. By clarifying the state’s unique intervenor process, these reforms will, for the first time, protect consumers from hidden fees, establish clear guidelines for intervenor participation, and strengthen oversight of the administrative hearing system to prevent unnecessary delays.

“Consumers are frustrated with hidden fees, especially when insurance costs are already exorbitant and unaffordable for many. California’s insurance crisis demands tough decisions and accountability from everyone involved – insurance companies, intervenors, and the Department itself,” said Commissioner Lara. “To stabilize our market, we need a rate review system that delivers timely, fair, accurate, and thorough decisions, rather than one that gets bogged down in process or delays real solutions.”

Under Prop. 103, passed by voters in 1988, the Insurance Commissioner is responsible for ensuring that consumers do not pay more to insurance companies and intervenors than is legally justified. The proposed regulations will clarify how intervenor participation is objectively evaluated and compensated, ensuring that consumers, policyholders, and taxpayers only fund substantial contributions to the public interest. Additionally, the regulations will make the process more open and accessible, preventing any single group from monopolizing the intervenor process.

While public participation is a cornerstone of Prop. 103, the current intervenor system has not been updated since 2006. Stakeholders – including consumer advocates, insurers, and the public – have expressed concerns that the process established decades ago by former Insurance Commissioner John Garamendi lacks transparency, [is dominated by a small number of recurring participants](#), and can lead to unnecessary delays and costs for consumers and taxpayers.

“We want diverse voices to be heard from every corner of our state. Our rural and Sierra Nevada communities, which have been disproportionately affected by wildfires, have historically been excluded from the intervenor process,” said Commissioner Lara. “This regulation aims to create a stronger and more equitable system for all consumers across California, not just a select few who have mastered the current system.”



Key reforms include:

- Clarifying the “substantial contribution” standard for intervenor compensation to promote meaningful participation.
- Requiring public reporting on intervenor activity and compensation to increase transparency.
- Establishing firm timelines and responsibilities for administrative law judges, including mandatory 30-day status updates on pending cases to the public, so the public is informed of progress being made on these cases.
- Requiring the Department to post public documents online – including hearing calendars and decisions – making them accessible to all Californians and replacing outdated physical viewing rooms.

[Expanding coverage for Californians who need it most](#)

The latest proposed regulations are part of Commissioner Lara’s broader Sustainable Insurance Strategy, the most ambitious insurance reform effort in over 30 years. Since launching the strategy in September 2023, the Department has proposed new regulations that require insurance companies to write and maintain policies in wildfire-affected areas if they incorporate catastrophe modeling and reinsurance costs in their rate filings – a first for California and the nation. Homeowners and businesses can also benefit from wildfire safety discount programs through the nation’s first Safer from Wildfires regulation.

Several major insurance companies – including Mercury, CSAA, Pacific Specialty, Allstate, and Farmers – have announced plans to expand or resume writing new policies in California under Commissioner Lara’s Sustainable Insurance Strategy.

“Years of neglect have resulted in a broken system, leading to real issues with the affordability and availability of insurance, as well as companies withdrawing from our state,” concluded Commissioner Lara. “The reforms we are implementing and today’s announcement represent another critical step toward building a market that protects consumers, holds insurance companies accountable, and bases rates on facts rather than delays. We are already starting to see a change in our market with more engagement from companies willing to write new business and invest in our state.”

The regulations were submitted to the Office of Administrative Law (OAL) for public notice today and will be open for public comment for 45 days starting October 3, 2025. A public hearing on the proposed regulations will be held on November 20, 2025 at 1:00 p.m.

Members of the public are invited to participate and submit comments during the 45-day public comment period. More information is available on the Department’s website at www.insurance.ca.gov.

Resources:

- View the [proposed regulatory text](#).
- [View the Initial Statement of Reasons](#).
- [Background on the Prop 103 Consumer Intervenor process](#).
- [Historical overview of insurance company payments to intervenors](#) (2013 to present, click each year for more detail).