



May 3, 2010

**Proposition 17 means lower auto insurance rates for millions of California drivers.
Help us provide you and other consumers with an expanded discount by voting YES on Prop 17.**

The June statewide election is almost upon us, and if you're like most California voters, you may be starting to think about the various measures on the ballot. I'm writing to encourage you to join Mercury Insurance and a broad coalition of business, taxpayer and consumer groups in supporting Proposition 17, the *Continuous Coverage Auto Insurance Discount Act*.

From 1995-2005, a continuous coverage discount was available to all California drivers who maintained continuous insurance coverage with any insurer. During this time Mercury provided up to a 25% discount to all customers who maintained continuous insurance coverage. The amount of the discount was based on the length of time the customer was continuously insured. Subsequently, a new Insurance Commissioner changed the regulation so that insurers were prohibited from offering this discount to new customers. Proposition 17 restores our ability to apply the pre-2005 rules to our customers.

The 2005 change in regulations limited the continuous coverage discount to drivers who stay insured with the same insurance company. This punishes responsible drivers by prohibiting them from taking their continuous coverage discount with them if they switch insurance companies. We don't agree with this restriction.

That is why Mercury Insurance is supporting Proposition 17, the *Continuous Coverage Auto Insurance Discount Act*, which ensures that all drivers who continually maintain their auto insurance are eligible for this discount even if they change their insurance company.

Just like you take your good driver discount with you when you change insurers, we think you should get a discount for your coverage history even if you change insurers. This is no different than stores honoring their competitors' coupons or the law allowing cell phone customers to keep their phone numbers when changing telephone companies. In these tough economic times, consumers need all the discounts they can get. As reflected on the back, Proposition 17 also includes new grace periods and protections drivers don't get now.

We need your help to restore the continuous coverage discount. We ask you to join Mercury and many others and **VOTE YES ON PROPOSITION 17**. To learn more, please take a look at the fact sheet we've put together on the back, or visit www.yesprop17.org.

Thank you.

A handwritten signature in black ink, appearing to read "Gabriel Tirador".

Gabriel Tirador
President and Chief Executive Officer
Mercury Insurance Group

Facts about Proposition 17

Under current regulations, drivers who have maintained auto insurance with the same company are eligible for a continuous coverage discount. However, existing regulations prohibit drivers from taking this continuous coverage discount with them if they switch insurance companies.

Proposition 17 allows you to keep your continuous coverage discount even if you change insurance companies.

- Expanded Discount, More Choice and Lower Rates

- Drivers take their good driver discount when they change insurers. They should be able to take their continuous coverage discount too. Proposition 17 *ends the penalty* for changing insurers.
- Proposition 17 rewards the *more than 80% of drivers who maintain automobile insurance*. Under current regulations they are penalized and lose their discount if they change insurance companies.
- This discount can *save California families hundreds of dollars* every year.
- Proposition 17 encourages drivers to stay insured – meaning fewer uninsured motorists. If you maintain insurance, you are eligible for lower rates.

- Additional Grace Periods and Protections

- Proposition 17 adds a *90-day grace period* to protect drivers who have lapses in coverage for any reason other than non-payment of premium, and insurers are allowed to extend that grace period, too. Example: a driver's lapsed insurance during a period of temporary non-ownership of a car.
- It also protects our military so they can maintain their continuous coverage discount if they cancel insurance while serving overseas.
- Under current law, all these drivers lose their discount if they have a lapse in coverage for just one day.

- Prop 17 Supporters

*Partial list

California Chamber of Commerce
Consumer Coalition of California
California Hispanic Chambers of Commerce
American GI Forum
Small Business Association of California
California Senior Action League
Alliance of Insurance Agents and Brokers

California Alliance for Consumer Protection
California Black Chamber of Commerce
California Taxpayer Protection Committee
Bay Area Council
Valley Industry and Commerce Association
Mercury Insurance Group
Small Manufacturers Association of California