Insurers Superbowl 49 ad BLITZ rankles

In case you missed Lindsay Lohan careening onto the curb just inches away from two dazed school boys to promote Allstate's Esurance brand, or Nationwide's more serious but controversial point about avoidable accidents – once again, insurance ads were front and center during yesterday's Superbowl. Super expensive commercials during the annual most watched sporting event are now an embedded tradition, and everywhere but California, policyholders foot the bill. According to Forbes, the average cost for a 30-second advertisement for this year's Super Bowl is approaching $4.5 million, 7% more than last year, indicates advertising expenditures this year will be in the neighborhood of $359 million…

This is not a new phenomenon. ("How the Insurance Industry Got Into a $4 Billion Ad Brawl: Geico's Gecko, Progressive's Flo Have Goaded Allstate, Others Into Upping Marketing Ante") but it still rankles.

Do policyholders really deserve to have to pay higher premiums to cover the cost of these ads? Really? How about skipping the Superinflated ad spot costs and applying the savings to pay claims, boost customer satisfaction and benefit from word of mouth advertising in the social media age?

Out of all 50 states, only one has a firm rule that gives the regulator authority to disallow (cut out) a portion of an insurer's advertising expenses from being passed on to consumers. Yup. California – where the voters enacted Proposition 103 in 1988 and established that important rule. And despite never-ending lobbying by insurance trade groups to overturn the rule, California Insurance Commissioner Dave Jones enforces it, with help from our allies at Consumer Watchdog, and frequently succeeds in saving consumers money. Here's a recent win on this topic.