

# [Proposed California Ballot Initiative Seeks to Repeal Prop. 103](#)

Program Business

A proposed ballot measure could significantly alter California's property insurance regulations by repealing Proposition 103, a law passed in 1988 that governs home, auto, and other property and casualty insurance.

## **Background on Proposition 103**

Under Prop. 103, insurance companies must obtain approval from the state's elected insurance commissioner before raising premiums. The law also gives members of the public the ability to object to proposed rate increases.

## **Details of the Proposed Measure**

The new initiative, submitted by independent insurance agent Elizabeth Hammack, would make several changes if passed:

- Limit the rate-approval process starting in 2027
- Shift the insurance commissioner role from an elected position to one appointed by the governor
- Eliminate the public's ability to intervene in rate filings

Hammack stated in her submission that she has "seen first-hand the dysfunction" caused by Prop. 103. She has not provided further comment.

To qualify for the November 2026 ballot, supporters must collect more than 500,000 signatures by April 2026.

## Potential Impact on Current Insurance Market Plans

If approved, the measure could affect Insurance Commissioner Ricardo Lara's ongoing plan to address challenges in California's insurance market. In recent years, some insurers have declined to renew or issue new policies in high wildfire-risk areas. Lara's plan, launched this year, permits insurers to use catastrophe modeling and factor in reinsurance costs when setting rates, in exchange for commitments to maintain or expand coverage in high-risk zones.

Lara's spokesperson said Prop. 103 ensures accountability in the ratemaking process and confirmed his opposition to removing consumer rights under the law.

## Reactions From Industry and Advocacy Groups

- American Property Casualty Insurance Association: Vice President Denni Ritter said the organization was not involved in drafting the measure and is reviewing it before taking a position.
- Consumer Watchdog: The advocacy group's founder authored Prop. 103 in 1988. The group cited research claiming the law has saved California drivers over \$150 billion in auto insurance rates and expressed doubt that the repeal effort is well-funded.
- United Policyholders: Executive Director Amy Bach noted that while Prop. 103 offers consumer protections, it has also created approval delays and political pressure. She expressed skepticism about the initiative's chances of success.
- Insurance Agent Perspective: Los Angeles-based agent Karl Susman stated that the measure gives voters an opportunity to change a system many homeowners find unsatisfactory.
- Consumer Federation of America: Insurance Director Douglas Heller warned that adopting the type of regulatory framework used in other states has coincided with significant rate increases elsewhere.

## California Insurance Rate Context

According to Bankrate.com, California's average annual homeowners insurance premium ranks near the middle nationally. Consumer groups say Prop. 103 has helped keep the state's home and auto insurance rates lower than the U.S. average.