

September 3, 2019

Amy Bach, Executive Director  
United Policyholders  
381 Bush Street, 8<sup>th</sup> Floor  
San Francisco, CA 94104

Guillermo Mayer, President & CEO  
Public Advocates  
1225 Eighth Street, Suite 435  
Sacramento, CA 95814

Anthony E. Wright, Executive Director  
Health Access  
1127 11<sup>th</sup> Street, Suite 925  
Sacramento, CA 95814

Dear advocates,

I have dedicated my entire professional life to the cause of public service, guided by a steadfast belief in government for the people, equality for all, and injustice for none. I am proud of the record we have built together to provide a brighter, safer, healthier and fairer future for millions of Californians.

I believe effective public service demands constant adherence to the highest ethical standards. But during my campaign and first six months in office, my campaign operation scheduled meetings and solicited campaign contributions that did not fall in line with commitments I made to refuse contributions from the insurance industry. I take full responsibility for that and am deeply sorry.

Upon learning of these issues, I ordered an immediate return of insurance industry-connected contributions and an internal review of our vetting procedures. I also terminated my longtime contractual relationship with the fundraising personnel involved.

Even though no laws or rules were broken – and these interactions did not affect nor influence my official actions in any way – I must hold myself to a higher standard. I can and will do better. These failures are not consistent with my personal values nor my long career in public service.

I am therefore adopting the following reforms, effective immediately:

- I am implementing rigorous vetting protocols and am retaining experts to develop new processes for the screening and reporting of all outside political activity – to ensure greater transparency and no direct connection to the insurance industry or Department-regulated entities – consistent with best practices.

- I am placing a strict moratorium on all fundraising activity for my re-election campaign until at least the end of this calendar year, while these new processes are being implemented.
- I am requesting that Department attorneys develop new publicly-available protocols for scheduling and conducting meetings with external stakeholders, especially Department-regulated entities.
- I am ordering regular public release of my official calendar of meetings with external stakeholders.

As I look ahead, it is clear to me that California consumers have significant challenges from the rising toll of wildfires and climate change. In recent weeks, I have met with hundreds of those affected by insurance non-renewals across the state due to wildfire risk, witnessing first-hand people's desperation when they cannot obtain and keep affordable insurance. I am working with state and local policymakers to protect communities from a downward spiral of falling home values and declining property taxes that support local services. And California is now the first state to work with the United Nations on a roadmap to climate sustainable insurance.

I am more committed than ever to defending California's consumers – the people who I have fought for during my entire career. I will work with you to fight unlawful insurance schemes, protect Proposition 103 and consumer privacy, help survivors of devastating wildfires with their insurance claims and non-renewals, and defend the Affordable Care Act to make sure all Californians have fair access to affordable health care.

I look forward to the work ahead, and renew my commitment to hold myself to the highest ethical standards as your state Insurance Commissioner.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ricardo Lara". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

**Ricardo Lara**  
Insurance Commissioner