

Campaign For Consumer Rights

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Campaign for Consumer Rights News

June 2, 2010

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Consumer Report: Insurance Industry Spending Over \$17 Million to Influence Outcome of June 8th Election

Santa Monica -- Insurers and the political action committees they fund have spent more than \$17 million dollars on candidates and one ballot initiative to quietly influence the outcome of Tuesday's election, according to a new analysis released today by Campaign for Consumer Rights. The consumer group noted that voters are unlikely to know from the populist-sounding names of the insurance company-funded committees and front-groups that insurers are spending millions to win their agenda.

Los Angeles and San Diego voters are the primary targets of the industry's stealth independent expenditure efforts to win legislative races. Insurer-backed groups have spent more than \$600,000 against one Assembly candidate in Los Angeles's South Bay -- Betsy Butler in Assembly District 53 -- and more than \$1.47 million against one San Diego State Senate candidate -- Mary Salas in Senate District 40 -- and for her opponent Juan Vargas.

Statewide, the largest insurance company expenditure is the \$14.9 million that California's 3rd largest auto insurer, Mercury Insurance, has spent to pass Proposition 17, which would legalize surcharges on consumers outlawed since 1988.

"Insurers are spending millions of dollars to influence the outcome of Tuesday's election, but most voters don't know insurance companies are out there propping up initiatives and attacking candidates," said consumer advocate Doug Heller, who prepared the analysis.

Consumer advocates said that the insurance funded groups are campaigning under names that would not lead most voters to believe that the mailers, phone calls and TV ads are actually paid for by the insurance industry.

The Mercury Insurance campaign for Prop 17 has been operating under the moniker "Californians for Fair Auto Insurance Rates." The insurance industry dominated Civil Justice Association of California (CJAC) has funded three separate campaign committees. Two medical malpractice insurance company-funded committees have also spent hundreds of thousands of dollars campaigning

for and against candidates for the state legislature.

These are the major insurance industry campaigns impacting the June election (a breakdown of spending in each district is also below):

Yes On 17-Californians For Fair Auto Insurance Rates And Mercury General Corporation And Affiliates

Mercury Insurance -- whose corporate parent, Mercury General Corporation doesn't have "insurance" in its name, but is the entity referenced in mandatory advertising disclosures -- has funded 99% of Yes on 17's campaign. Prop 17 would penalize Californians who opt to stop driving for a time, for virtually any reason. Voters would be required to pay up to a \$1,000 more dollars a year for auto insurance when they sought to restart coverage.

Civil Justice Association of California (CJAC)

CJAC, whose board of directors has substantially more insurance representation than any other industry, has three separate political committees that have spent a combined \$1.75 million on just three California primary races:

* "Put California Back To Work Sponsored By The Civil Justice Association Of California" has spent about \$1,267,000 combined in Assembly District 53 (all against candidate Betsy Butler) and Senate District 40 (in support of candidate Juan Vargas and against Assemblywoman Mary Salas). Prop 17 sponsor Mercury Insurance is the largest individual corporate donor to this committee, having given \$50,000 to "Put California Back."

* "Californians For Balance And Fairness In The Civil Justice System, Sponsored By The Civil Justice Association Of California" has spent about \$422,000 in Assembly District 53 (all against candidate Betsy Butler), Assembly District 30 (all against candidate Fran Florez) and Senate District 40 (in support of candidate Juan Vargas).

* "Californians For Civil Justice Reform Pac, Sponsored By The Civil Justice Association Of California" has spent more than \$62,000 in Assembly District 53 (all against candidate Betsy Butler) and Senate District 40 (in support of candidate Juan Vargas).

Medical Malpractice Insurance Companies

Medical malpractice insurance companies have been very aggressive this campaign season. This segment of the insurance industry is focused on electing candidates who will vote against changes to California's stringent limits on legal rights for patients injured by medical malpractice.

"Cooperative Of American Physicians Independent Expenditure Committee" is the political action committee of the medical malpractice insurer known as Mutual Protection Trust. This committee has spent more than \$385,000 in Assembly Districts 20 (in support of candidate Garrett Yee) and 53 (against candidate Betsy Butler and in favor of candidate James Lau).

“Californians Allied For Patient Protection Independent Expenditure Account” is the political action committee of CAPP, a group largely funded by medical malpractice insurance companies that focuses on the state’s malpractice laws. It has spent more than \$317,000 in Assembly Districts 20 (in support of candidate Garrett Yee and in opposition to candidate Bob Wieckowski) and 53 (all against candidate Betsy Butler).

“It’s not enough that insurance companies charge us an arm and a leg at every turn. They want more. Insurers are moving millions into California campaigns in order to return many times their investment back into their coffers through preferable legislation and initiative results,” said Heller.

Below is a breakdown of insurance funded independent expenditures by legislative race:

Senate District 40 - In Support of Juan Vargas

\$917,000 - Put California Back to Work Sponsored By The Civil Justice Association Of California

\$164,000 - Californians For Balance And Fairness In The Civil Justice System, Sponsored By The Civil Justice Association Of California

\$43,000 - Californians For Civil Justice Reform Pac, Sponsored By The Civil Justice Association Of California

Senate District 40 - In Opposition to Mary Salas

\$343,000 - Put California Back to Work Sponsored By The Civil Justice Association Of California

Assembly District 53 - In Opposition to Betsy Butler

\$165,000 - Put California Back to Work Sponsored By The Civil Justice Association Of California

\$16,500- Californians For Balance And Fairness In The Civil Justice System, Sponsored By The Civil Justice Association Of California

\$19,000 - Californians For Civil Justice Reform Pac, Sponsored By The Civil Justice Association Of California

\$221,000 - Cooperative Of American Physicians Independent Expenditure Committee

\$186,000 - Californians Allied For Patient Protection Independent Expenditure Account

Assembly District 53 – In Support of James Lau

\$39,000 - Cooperative Of American Physicians Independent Expenditure Committee

Assembly District 30 – In Opposition to Fran Florez

\$81,500 - Californians For Balance And Fairness In The Civil Justice System, Sponsored By The Civil Justice Association Of California

Assembly District 20 - In Support of Garrett Yee

\$125,000 - Cooperative Of American Physicians Independent Expenditure
Committee

\$161,000 - Californians Allied For Patient Protection Independent Expenditure
Account

Assembly District 20 - In Opposition to Bob Wieckowski

\$8,000 - Californians Allied For Patient Protection Independent Expenditure
Account

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Campaign for Consumer Rights is the campaign affiliate of the nonprofit
Consumer Watchdog and the sponsor of Stop Prop 17 -

<http://www.StopProp17.org>.