

## Chuck Quackenbush: Platform Statement



As a former small business owner, and as a legislator, I understand the important role insurance plays in our lives. California businesses must have insurance, or they can't operate. Auto owners need insurance to use our streets and highways. We all need affordable health and life insurance to protect ourselves and our families. We need insurance to run our daily lives. In fact, Californians pay \$60 billion a year in premiums, equaling 8% of the state's gross domestic product.

Consumers deserve regulations ensuring affordable policies and quick payment of legitimate claims. But we have a problem. Insurance has become increasingly unaffordable and unavailable. Some companies have cutback their offerings or left California completely.

Meanwhile, the Department of Insurance spends \$91 million a year but can't tell you how it spends its money. In the last five years it has ballooned to twice its original size, 1020 full-time employees, with no corresponding benefit to those who pay for it. Consumers in need of help face endless delays while the insurance industry waits months or years for the Department to make decisions.

The next Insurance Commissioner must restore public confidence in the Department and ensure that consumers have a safe and healthy marketplace to buy affordable insurance.

Without affordable insurance, my wife and I could not have operated our businesses. If the state continues to fail us, private market innovations and solutions will be stifled and the government will attempt to impose its own solutions. Fewer California companies selling fewer lines of insurance means less market competition -- and all consumers and our economy will pay the price.



### As Insurance Commissioner, I will:

-  \* Protect consumers, both businesses and individuals, from unscrupulous insurers and fraud artists; ensure fair rates and claims practices; and help consumers work through a streamlined bureaucracy;
-  \* Crack down on fraud, which raises honest consumers' rates, by strengthening laws, using cooperative efforts to shut down fraud rings, and increasing anti-fraud resources;
  - \* Obtain affordable auto insurance by getting uninsured motorists off the street and promoting tort reform;
  - \* Expand access to health insurance through voluntary purchasing pools, full tax deductibility of premiums and expanded portability laws;
-  \* Improve management of the Department of Insurance with sound business principles, a customer-oriented attitude, and public input into operating the DOI;
-  \* Lower workers' compensation costs for employers by combating fraud, encouraging injury prevention, helping new products to the market, and ensuring the new open rating system produces the lowest rates consistent with solvency requirements;
  - \* Restore the homeowners insurance market by working for a national disaster pool that affordably

protects consumers from earthquakes and taking action to stop insurer flight from the market;

\* Provide clear, streamlined regulations that promote competition, remove uncertainty from the insurance business climate, and furnish incentives for expanded insurance offerings to consumers.

**In my first six months as Insurance Commissioner, I will:**

\* Deliver all remaining Proposition 103 rebates. I'll sit down, face to face, and complete John Garamendi's work. The companies that owe will pay what they owe.

 \* Create a Consumer Ombudsman within the DOI. Consumers need help finding their way around the Department.

\* Immediately approve all pending rate decreases for A.M. Best rated "A+" or better companies.

\* Sponsor legislation creating a state COBRA plan for small business employees. Portability will reduce the ranks of the health uninsured.

\* Create a volunteer lawyer program helping D.A.'s recruit young lawyers to prosecute insurance fraud cases.

\* Go to Washington to push for a national disaster pool. The Natural Disaster Protection Act will lower the cost of earthquake insurance. I will put this issue on the national agenda.

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