



Conway Collis



John Garamendi



Bill Press



Walter Zelman

INSURANCE COMMISSIONER

Nixon, narcotics and nightmares: an issue-laden campaign shapes up

By Teresa Simons

One of the candidates likened his opponent to Richard Nixon. Another was forced to admit that he was once convicted of possessing pot. A third contender ducked numerous debates, then broke his silence at

Teresa Simons is a Capitol correspondent for United Press International in Sacramento and a frequent contributor to California Journal.

the Democratic Party state convention only to lose the party's endorsement. And then there's the candidate who hopes to attract attention with his promise to be unfair to the insurance industry.

Welcome to the first campaign for state insurance commissioner. Until now, the post has always been filled by a gubernatorial appointee and, most always, by someone who either came from the insurance industry or planned to go there when his or her term was up. But thanks to Proposition 103, California's next insurance commissioner will likely be the person who can best convince voters he will protect them from crippling insurance rate hikes.

The cast of characters in this drama includes:

- Bill Press, 50, a former Los Angeles television commentator who once headed former Governor Jerry Brown's state planning office. He has championed several environmental causes and can speak like a good Texas populist. "The water is never going to clear up until you can get the hogs out of the creek," he says about insurance companies.

- State Senator John Garamendi, an ambitious 45-year-old lawmaker from Walnut Grove who has made two unsuccessful bids for statewide office and hopes this one, his third, will be the charm.

- Walter Zelman, 46, the former California director for Common Cause who has spent 13 years bashing politicians and is now trying to show how public service should be done.

- Conway Collis, 42, a member of the tax-setting state Board of Equalization and the chosen candidate for Proposition 103's lead author, Harvey Rosenfield. Collis is also the only candidate to support Rosenfield's proposed 1992 ballot initiative to drive insurance companies out of the state if they don't immediately slash premiums.

- Ray Bourhis, 47, the San Francisco attorney who got his first and only taste of politics while working on the 1968 presidential campaign of the late Robert Kennedy. He has spent the last 17 years representing consumers against big insurance companies, an experience that's given him a fervor to represent all insurance consumers.

Leading the Republican ticket for the June 5th primary is Wes Bannister, an insurance agent and Huntington Beach city councilman who has wide

support among insurance agents and brokers. Another Republican, Tom Skornia, works for an industry-financed group that's pushing no-fault insurance. He is advocating legal changes to cut down on lawsuits and the ability of victims to recover damages.

But with the Democrats spending far more than the Republicans, and boasting stronger credentials as consumer advocates, most political observers believe the Democratic primary will produce the state's first elected insurance commissioner.

For as big an issue as insurance was in the November 1988 initiative battle that saw Proposition 103 win out against four rival ballot measures, the insurance commissioner's race appears to be taking a back seat in this year's campaigning. And, unlike the



Wes Bannister



Tom Skornia

initiative wars, the emphasis this time around has not been on insurance issues.

For example, Collis has made sure reporters know that Zelman pleaded guilty to misdemeanor possession of marijuana charges 18 years ago. It's a tricky balancing act: Collis at one point insisted erroneously that Zelman had pleaded guilty to a felony, but also has maintained that he never intended to use the conviction against Zelman. He said he only wanted to raise an issue that a Republican opponent could otherwise use in the general election. Collis, by the way, has admitted to smoking pot himself. But he said, "The issue isn't youthful experimentation with marijuana. The issue is disclosing a conviction."

Garamendi, the best financed of the five, has drawn fire from all of his opponents for skipping most of the candidate debates. Zelman says Garamendi doesn't want to answer the obvious question: What has he done for insurance consumers during his last 10 years in the Legislature? Collis, in a particularly spicy press release, likened Garamendi to Richard Nixon. "A 'rose garden' strategy may have worked for President Nixon, but it will not work for John Garamendi," Collis wrote.

Feeling the pressure, Garamendi agreed to debate at the Democratic Party state convention. Press won 64 percent of the delegates' vote, capturing the endorsement. Garamendi finished a distant second with 17 percent.

Zelman, for his part, has raised questions about Collis, who has been criticized for his activities as a member of the state Board of Equalization. Zelman notes that Collis raised \$30,000 for Proposition 103 author Rosenfield's Voter Revolt group, intimating that Rosenfield may have sold his endorsement. But Rosenfield stresses that Collis has come out stronger than any other candidate against the insurance industry, and is the only candidate to support his proposed initiative for the November ballot. Rosenfield rejects allegations that Collis and other members of the Equalization Board awarded favorable tax rates to companies that contributed to their campaigns. After critical news reports, Collis two years ago adopted a policy of not voting on matters involving campaign contributors. He joined the board in 1982.

Still, there are some weighty issues in the commissioner's race — real insurance issues.

Even before the passage of Proposition 103, California's insurance commissioner had broad powers to prohibit "excessive" rates and to fine or revoke the license of any insurance company that dealt in bad faith. But these powers were rarely used. Now, the insurance commissioner also has the power to approve or disapprove rate increases before they are instituted and to demand access to a wide assortment of company records.

Collis says he intends to use these new powers as a sledgehammer against the industry. When he formally declared his candidacy he promised: "If I'm elected insurance commissioner, I'm not going to be fair to the insurance industry. I'm not going to be even-handed. I'm not going to be reasonable. I'm going to break their backs. I'm going to be their worst nightmare." And Collis has repeated those sentiments ever since.

But if that's what the public wants, it hasn't been made clear in the polls, which show Collis trailing front-runners Press and Garamendi.

On the other end of the political spectrum is Garamendi, the only leading Democrat who remains open to no-fault insurance, under which a driver's insurance company pays for

his or her accident, regardless of who is at fault. Less adamant than the others that the sacrifices needed to reduce costs should come primarily from insurance profits, Garamendi authored a 1977 no-fault auto insurance bill seeking changes in the legal system to cut down on lawsuits, the role of lawyers and the ability of victims to recover damages. He also was a supporter of successful medical malpractice legislation that limited damages that could be awarded litigants, thereby reducing insurers' costs and curbing price increases in malpractice insurance. But Garamendi has not carried any significant insurance legislation as rates have skyrocketed in recent years.

Somewhere between the positions taken by Collis and Garamendi lie those of Zelman, Bourhis and Press. Press insists that auto insurance companies can lower their rates 20 percent, as called for under Proposition 103, and still make the fair rate of return guaranteed them under a state Supreme Court interpretation of the ballot initiative. But Zelman says that while the state's goal should be to get a 20 percent rate rollback from all companies, he believes some firms will not be able to give the rollback and still make a fair profit. Bourhis would prefer to scrap the fair-rate-of-return provision altogether, rather than face what he believes will be years of lawsuits by insurers. Instead, he wants consumers to band together into large pools. Insurance companies would then have to compete to cover members of the pools. "Then we'll see insurance companies fighting to outbid each other," he says.

The insurance commissioner candidates are well aware that they also will be asked to do something about the six million Californians who have no health insurance and the skyrocketing premiums of those who do.

Garamendi, for instance, says he would use his office as a pulpit for introducing health coverage proposals to the Legislature. Garamendi would be expected to work with insurers, lawyers, employers and consumers in an attempt to reach common ground, just as he has brought various groups together on numerous legislative proposals — most recently the June ballot initiative to raise the state's constitutional spending limit and double its gasoline tax. Bourhis vows to be the "toughest prosecutor" of existing laws controlling health insurers. Collis says once voters are shown the state can

run a successful auto insurance program, as is allowed under Rosenfield's new proposed initiative, they will agree to state-run health insurance as well. Zelman supports a state-funded program to provide health insurance to all Californians.

Because so many of the candidates are not well known, many political consultants believe the June primary will be decided by a last-minute rush of media advertising and campaign mailers. To that end, Garamendi, who is by far the best financed candidate, has an enormous advantage.

But at least a few observers say money will not buy this race, just as it couldn't defeat Proposition 103. And Press, who has widespread name recognition in Southern California, has done nearly as well or better than Garamendi in the polls.

Finally, there is a wild card in the race. Consumer advocate, Ralph Nader, whose support for Proposition 103 may have been decisive in the 1988 insurance initiative battle, says he will issue a scorecard on the candidates later this month.

Nader generally doesn't back contenders for political office. But he has praised Collis' hard stand against the insurance industry and has labeled

two of Collis' opponents — Garamendi and Zelman — as "impostors."

Nader says Garamendi has failed to attempt any insurance reform while in the Legislature. His problem with Zelman is more personal: Nader was angered by Zelman's proclamation that he wanted to become the "Ralph Nader of insurance for all the people of California" — particularly since the candidate did not endorse Proposition 103 from the start. (Zelman preferred Proposition 100, which would not have called for as big a rate rollback as Proposition 103, but which would have extended the insurance commissioner's rate regulation authority to health insurance as well as auto insurance.)

Several consumer activists reportedly have spoken to Nader, informing him of Collis' reputation on the Board of Equalization and of Zelman's longtime service to consumer causes. But Nader hasn't budged. "Ralph is a person with very strongly held views and how he expresses them sometimes is very destructive to people who have been his friends and co-workers," says Harry Snyder, western regional director for Consumers Union. "People just excuse him because he's Ralph. They all say the same thing: 'That's just Ralph.'"

Advertisement

You're Known By The Company You Keep.

Many business-oriented ballot issue and public relations campaigns fail because of the company they *don't* keep!

A grassroots coalition of thousands of individuals can mean the difference between success and failure. That's why WCG/Claussen builds and manages effective coalitions throughout the nation.

So give us a call, and we'll help you start keeping better company.

*Building/Managing Ballot Issue and Business Coalitions
Ballot Issue Campaign Management*

WCG/Claussen & Associates

Richard Claussen, President
1220 H Street Suite 204 Sacramento, California 95814
(916) 443-7768

Get 1990 Free, if you order 1991-92 now!

The California Directories and Update Service

The three-volume set is an indispensable tool for corporate relations officers, researchers, lobbyists, press and government agencies who need to know who's who in California government and public affairs. *The California Directories* provide a quick way to identify the key players in state and local policy making.

Includes semi-annual update service.

Volume 1 — State Government

Names, district and capital addresses, phone numbers, party affiliation, and staff of the Legislature. Description of state departments and their top staff. 144 pages, 8½ x 11".

Volume 2 — Lobbyists/PAC's

Name, address and phone numbers of lobbyists, firms and employers and political action committees. 186 pages, 8½ x 11".

Volume 3 — Local Government

Every city and county with its address and phone number and top elected and appointed officials. About 300 pages, 8½ x 11".

***"The indispensable
government
reference tool."***

Special Offer: Buy 1991-92 and get 1990 Free!

Order now for the 1991-92 biennium and get 1990 Free: three years of up-to-date information for only \$195.00. A unique information system at a unique price!

This set is a joint production of **State Net**, the nation's leading on-line 50-state legislative and regulatory reporting service, and **California Journal**. For information about electronic versions of Volumes 1 & 2, contact Wayne Kessler at State Net, 916/444-0840.

ORDER FORM

Three years 1990-1992 includes 3 volumes and updates in 1990, new volumes in early 1991 and three more updates through 1992.

☐ Volume I, \$95.00.

☐ Volume II, \$65.00.

☐ Volume III, \$65.00.

☐ All Three, \$195.00.

(an additional savings of \$30.00)

Name _____

Organization _____

Address _____

Zip _____

Telephone # _____ / _____

Please add 6.75 percent sales tax plus \$2.50 handling to all orders.

Send check, P.O. or credit card number for the correct amount to
California Journal, 1714 Capitol Avenue, Sacramento, CA 95814.

For immediate orders or more information call 916/444-2840.

★ ★ ★ ★ Election '90 ★ ★

District-by-district analysis

The 1990 elections are a prelude. The real action will take place in 1992, after the next reapportionment. Next time, six or seven new congressional seats will be available, and that will encourage a host of current legislative officeholders to try to move to Washington. New district boundaries will force others to make choices, or pit incumbents against each other, so ever more seats may be up for grabs. Finally, U.S. Senator Alan Cranston will also be up for reelection in 1992, and at least three Democratic members of the House have expressed a desire to challenge him, opening up three more House seats.

But this year the campaigns will be largely defensive. Incumbents from marginal districts will try to hold on one more time in hopes of getting a better district two years down the road. The 1980s' reapportionment has made incumbents remarkably durable, and to date there remain few seats where the outcome is doubtful.

Still, 1990 will differ from past elections. Probably the biggest change has been brought about by the passage of Proposition 73 in June 1988. Among other provisions, it eliminated the transfer of campaign money from one candidate to another. Along with apparently reducing the amount of money being raised by candidates, Proposition 73 will make it more difficult for legislative leaders to launch last minute, surprise attacks against an opponent deemed vulnerable. Conversely, incumbents in difficult districts who have counted on colleagues for money in the past now are on their own, and it's not clear if they will be able to raise the necessary cash to fend off concerted attacks.

Also unknown this year is the effect the abortion issue will have on the campaigns. Several legislators have challengers who seem to be running for no other reason than they disagree with the incumbent over abortion.

In Congress, several recent resignations have created openings where none were expected. The venerable Democrat Gus Hawkins is finally retiring, as is Republican Norm Shumway. These districts remain safe for their respective political parties, so their successors will be determined in primaries. For incumbents seeking reelection, difficult races are anticipated only for Democrats George Brown, who is a perennial target, and Jim Bates, who has been made vulnerable by changes he made in inappropriate sexual remarks to staffers and now faces a challenge in his own party primary.

In the Senate, Democrat Ruben Ayala in Southern California faces a tough challenge from Assemblyman Chuck Bader, and Republican Jim Nielsen faces a similar challenge in the northern part of the state.

In the Assembly, there are eight open seats, and all but one — the district made vacant when Democrat Lucy Killea moved to the Senate — should be fairly safe for one party or the other. Democrats Steve Clute, Pete Chacon, Norm Waters and first-term Sal Canella all will be seriously challenged. Republicans Curt Pringle and possibly Tim Leslie may be in for a hard time. By mid-Summer, the rest of the "targets" should emerge as well, but thanks to Proposition 73, there should be fewer last-minute surprises this Autumn.

Congress

DISTRICT 1 (55% D - 34% R) — Democrats:

Incumbent Doug Bosco of Sebastopol and Lionel Gambill of Occidental. Republicans: Frank Riggs of Windsor and Timothy Stoen of Ukiah. Peace and Freedom: Darlene Cominogore of Sebastopol.

A coastal district where emotions have been made raw by environmental war over timber harvesting. Bosco, a four-term incumbent who always seems to draw primary opposition, slaughtered Gambill, an educator and writer, in 1988. No reason to suspect Gambill will do much better than the 14 percent he drew last time. On the Republican side, attorney Stoen has name recognition thanks to a stint as Jim Jones' legal advisor

back in the days before Jones led his followers to tragedy in Guyana. The Jonestown connection gave Stoen a wealth of publicity when he announced his candidacy. He should emerge from the GOP primary and provide lively, if futile, competition for Bosco come November.

DISTRICT 2 (46% D - 43% R) — Democrat: Bill Rush of Red Bluff. Republican: Incumbent Wally Herger of Yuba City. Libertarian: Ross Crain of Los Molinos.

Herger's most serious challenge took place when he ran for his first term four years ago against a popular Shasta County supervisor. He won handily in 1988 and can look forward to a relatively easy campaign in 1990. Democrat Rush, a retired technical writer, will be hard-pressed to raise enough money to mount even a modest challenge.

DISTRICT 3 (56% D - 35% R) — Democrats:

Incumbent Robert Matsui and James Walsh of Sacramento. Republicans: Eugene Borman of Fair Oaks and Lowell Landowski of Sacramento. Libertarian: David McCann of Orangevale. *This could be Bob Matsui's last run for the House of Representatives. The five-term incumbent announced earlier this year that he was giving serious thought to running for the U.S. Senate in 1992 when the seat now held by Alan Cranston comes up for election. Cranston, in political trouble over the collapse of Lincoln Savings and Loan, repeatedly has said he will seek reelection — a fact that does not seem to daunt Matsui or a host of other Democrats who covet the seat. In the past, Matsui has made noises about seeking some other office but always backed away. This time, however, he went so far as to alert two potential successors — Sacramento Assemblymen Lloyd Connelly and Phil Isenberg. Meanwhile, Matsui must seek a sixth term in the House. Republican Landowski has twice tried to retire*