

Hip, Hip Hooray: Consumer Watchdog Finally Brings Accountability to the Health Insurance Industry

By Christopher Russell

California Insurance Commissioner Dave Jones announced the hiring of Consumer Watchdog, a true consumer advocate in the sometimes-sordid world of the powerful and well-funded Insurance Industry. [Dave Jones hired Consumer Watchdog](#) to audit health insurance carrier rate increases. Unlike auto and homeowner liability insurance coverage, health insurance is the Wild, Wild West of the Insurance Industry since there are no controls in place over what health insurers can charge consumers for their services here in California.

The reason why California has enjoyed the lowest and slowest rise in auto and homeowner insurance rates in the United States since 1988, is because of the passage of Proposition 103, landmark legislation that put the control of auto and home liability coverage premiums squarely in the hands of the Insurance Commissioner, who also by way of Prop 103 became an elected and not an appointed government official. Compare that to the consistent, yearly double digit rate increases we have seen in the Health Insurance Industry since 1988, and it tells you all you need to know as to why someone outside of the "good old boy government" oversight of the Industry (many politicians seem to find cozy jobs within the Industry after their political stint) is a breath of fresh air.

The main problem that we currently have with health insurance premiums as indicated above, is that the Commissioner has no ability under current law to control rates. He is, however, working with Consumer Watchdog to put on the ballot in 2014 a Proposition 103 type of Initiative to give him the same power he has over auto and home rates. The reason why it has to be put on the ballot is because of the spineless politicians in Sacramento who dare not upset their master, the Insurance Industry, with any law that actually brings some order to the rise in rates. This includes Jerry Brown who has done more to hurt consumer rights with his signing of [MICRA \(Medical Injury Compensation Reform Act\) 1975](#) and his recent failure to fund the courts, which prevents court action against the Industry, than any other politician in California history. Although Governor Brown is attempting to match his father's big project legacy with his boondoggle 5 billion dollar bullet train program, his real legacy will be that of the God Father of the anti-consumer, Tort Reform movement here in California. (More on that later.)

If the proposition is passed, you will see not only orderly rate increases (not the wild 30% plus increases we see in the paper almost daily) or even rate decreases, but we will also see a limitation as to the profits that can be made by the Health Insurance Industry. That system has served our auto and home insurance premium rates well since 1988 and the only real question that must be asked is why did it take so long for such an Initiative to be put on the ballot? The reason is because of hundreds of millions of dollars the Insurance Industry has spent in lobbying up in Sacramento since Proposition 103 was passed by a very slim 1% margin.

We now finally, after 25 years, have a fearless Insurance Commissioner who has had enough of the "pigs at the trough" and who has the courage to hire a true, consumer advocate, Consumer Watchdog to help him control an Industry that does not want to be controlled.

Why you ask, is it so courageous to hire Consumer Watchdog? It is courageous because the Insurance Industry and its allies absolutely hate Consumer Watchdog headed up by Harvey Rosenfield, who is the anti-Jerry Brown in the world of consumer rights. The reason why the Insurance Industry hates Consumer Watchdog? Drum roll please...the hate is because Consumer Watchdog authored Proposition 103! Yes, the same folks that brought order and sensibility to the world of auto and home insurance premiums are now in the catbird seat to bring order and sensibility to the Health Insurance Industry. Alleluia!

So Hip, Hip Hooray California, a new day is dawning (right in time for implementation of Obama Care, whether you care for it or not, it is here) and we have Dave Jones, our Insurance Commissioner, to thank for that new day. It is about time we the people take back control of a part of our lives that has been out of control for the past 30 or so years. We have our fearless Insurance Commissioner, Dave Jones, and Consumer Watchdog to thank for that.

Christopher E. Russell is a compassionate, personal injury lawyer His firm, Russell & Lazarus, APC, represents victims throughout Orange County, Los Angeles County, Riverside County, and San Bernardino County.