

Little Guy Who Beat Big Business

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Santa Monica

At 5 foot 6, Harvey Rosenfield is hardly larger than life. It only seems that way since the passage of Proposition 103, the insurance reform initiative.

Industry executives revile him. Politicians fear him. And almost overnight, the author of the controversial measure has become one of the biggest political folk heroes since Howard Jarvis spawned a nationwide taxpayer revolt.

The future seems limitless for Rosenfield, a 36-year-old consumer lawyer and Ralph Nader disciple, who wears thrift-store clothes and uses an old car seat for his office couch. The short term is far more troublesome.

Proposition 103 is under siege by the insurance industry, which persuaded the state Supreme Court to block its most popular provision, a 20 percent rate cut, while the court studies the measure's legality.

Rosenfield's ragtag political army, Voter Revolt, is mired in debt and struggling to stay afloat, even as political organizers call from around the country, hoping to duplicate its success.

Scene How Shifts

Rosenfield himself faces months of conflict as reform efforts shift from the ballot box, where it was all or nothing, to the horse-trading atmosphere of the state Legislature.

Through it all, he smiles, the way David might have smiled after he slew Goliath.

"We scraped and clawed every inch of the way," Rosenfield said. "We did it all with volunteers and people who sent in checks for 17 bucks and came in on weekends to help us count petitions. We're just gonna scrape and claw the rest of the way to make sure the victory that we won is in place."

It was an improbable and narrow victory. Outspent by more than 30 to 1 and opposed by virtually every major public figure, Proposi-

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tion 103 was the most drastic of several insurance reform measures on the November ballot and the only one that passed, winning 51 percent of the vote.



Harvey Rosenfield commanded an army of dedicated volunteers

Like most political manifestos, the document is a reflection of its author's personality; "uncompromising" is a word heard over and over again to describe both Rosenfield and Proposition 103.

"To Harvey, the world is black and white," said state Senator Alan Robbins, a Van Nuys Democrat who heads the Senate's insurance committee.

A Difficult Individual

"He's a very difficult individual to deal with, particularly when he refuses to educate himself on the reasons behind his opponent's position," said George W. Tye, executive manager of the Association of California Insurance Companies.

To Rosenfield, obstinacy is no sin but rather the very essence of political virtue.

"In this world where everybody sells out and politicians are too busy taking contributions from the special interests and people don't believe in their ability to fight for an ideal, somebody like me looks strange," he said.

"The people of the state of Cal-

ifornia, they don't want compromises, they don't want b---s--- from politicians or anybody else. They want help. They want relief."

Proposition 103 was born out of an earlier reform measure — one backed by the insurance industry and approved by California voters in June 1986. Touted as an answer to high insurance rates, Proposition 51 placed limits on plaintiffs' ability to seek damages for pain and suffering. But so far, the "deep pockets" initiative has brought little noticeable relief.

He Fought Proposition 51

Rosenfield, who worked for Nader in Washington for three years before moving to California, waged a last-ditch campaign to defeat Proposition 51, which he called an "insidious" assault on consumer protections. After its passage, he began lobbying the Legislature for sweeping insurance reforms.

Others among the competing interest groups — plaintiffs' lawyers, insurance companies and consumer advocates — were willing to make accommodations, ultimately to no avail. But rather than compromise, Rosenfield bypassed the Legislature and went directly to the public.

Voter Revolt collected 577,000 signatures to put Proposition 103 on the ballot. To win passage, Rosenfield and four other paid staff members worked 18-hour days in a drafty Santa Monica warehouse at the back of a downtown alley.

Forty full-time staff members were employed to supervise hun-

dreds of volunteers in seven offices around the state, paying the bills with whatever they raised locally. Workers rode buses to save money as they campaigned around California.

Horse Manure Stunt

Lacking the opposition's vast resources, Rosenfield garnered free publicity with a penchant for brash comments — insurance companies are "outlaws," his political opponents "whores" — and brazen stunts. At one point, Rosenfield tried to have a load of horse manure delivered to insurance executives.

"The industry spent millions of dollars ... to float their own initiative. I got a truckload of h----- and illustrated that," he said with typical bluster during a recent interview. "We called it for what it was."

The industry responded with personal attacks, depicting Rosenfield as a slightly deranged left-wing nut. In retrospect, that appears to have been a mistake, insurance executives say.

"It was their advertising that made Harvey a star," said Judith Bell of Consumers Union, a long-time ally.

Rosenfield is an unlikely celebrity, with his rumpled appearance and piddling \$20,000 salary.

Reared in a middle-class Boston suburb, he took degrees in law and international economics from Georgetown University in Washington. While attending college, he worked as a summer intern for Na-

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der, and later spent six months abroad.

It was his travels through the Soviet Union, Iran and Afghanistan that persuaded him to make consumer advocacy a career. "You really get a good sense of what the opportunities are to do good things in a democracy," he said. When he graduated in 1979, Rosenfield went to work as a lobbyist for Nader's Congress Watch.

Nader Missionary

Tired of Washington, he moved to California in 1981 as a Nader missionary. He ran the California Public Interest Research Group, CalPIRG, until 1985. Exhausted, he bought a boogie board and a Frisbee and hit the beach "with about 50 books I'd been meaning to read."

It was Nader who summoned Rosenfield back to the consumer movement in the spring of 1986, as leader of the unsuccessful campaign against the "deep pockets" initiative.

Two years later, Nader actively stumped for Proposition 103, and Rosenfield is the first to give him credit for its passage.

"We proved, or the voters proved, that word of mouth about an issue they care about backed by a person of absolute integrity, Ralph Nader, is far more effective than \$75 million of ... slick 30-second ads," Rosenfield said. "That's why we won."

Others — not just the insurance industry — suggest the real reason was demagoguery.

"He wrote a slam-dunk piece of street literature so people would read it and think, 'This one piece of paper can reform the insurance industry and reduce my premium,'" said Gene Erbin, counsel to Assemblyman Lloyd Connelly, a Sacramento Democrat who pushed more modest reforms.

'Sloppy Drafting' Cited

But Proposition 103 was "sloppily drafted," Erbin argued, and will require a lot of work — and cause a lot of hardship for people it was supposed to help — before it can be fully implemented.

"He's very skillful at identifying a hot issue," Erbin said of Rosenfield. "But I don't know that he has the administrative capacity to stick with it."

For his part, Rosenfield shows no signs of letting up. He insists his work on Proposition 103 will continue at least until a new insurance commissioner is elected in November 1990. He said he does not want the job but will "be monitoring" whomever is elected.

Other reform measures may eventually follow, he said, but first Voter Revolt must dig itself out of its \$750,000 debt. A mass mailing will seek desperately needed contributions, and a testimonial fund-raiser is also in the works. And even if money is scarce, Rosenfield said, politicians have already gotten the message.

"I think they're afraid of us, and that's good," he said. "They ought to be, because they don't control us. I think they're very afraid of what we represent ... the will of the public. The power of the people."