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WHO'S NEWS

Moxie Pays Off for Harvey Rosenfield, The New Scourge of California Insurers

By KEN WELLS

Staff Reporter of THE WALL STREET JOURNAL

It's hard to hurt Harvey Rosenfield's feelings. He laughed when he was branded "Pee Wee Harvey"—a reference to television simpleton Pee Wee Herman. He shrugged off television commercials accusing him of being a slightly unstable publicity hound.

This week, an insurance company executive, in a press release, called Mr. Rosenfield "a vindictive snake oil salesman who has hoodwinked the people into furthering his own cause. . . ." Mr. Rosenfield sighs: "We should put some of these guys into a padded room until they can calm down and behave themselves."

"Harvey has a way of letting people underestimate him," says consumer guru Ralph Nader, Mr. Rosenfield's former boss. "The guy looks like a real pushover but inside he is all fire and determination."

Indeed, appearances, as the California insurance industry learned, are deceiving. A year ago, Mr. Rosenfield was considered just another poorly paid, overzealous, garden-variety liberal lawyer pounding the concrete in California for various consumer causes. Then, two weeks ago, his brainchild ballot initiative, Proposition 103, was narrowly adopted by California voters despite a \$70 million insurance industry campaign aimed at derailing it.

The industry views Proposition 103, which is under court challenge, as a nightmare. It mandates a minimum 20% roll-back in rates for property, auto and other kinds of insurance—measures the industry says may bankrupt some companies or force many to flee the state. Furthermore, its success is one of the more stunning political and public relations setbacks dealt any industry in recent years.

The outcome has made a celebrity, if not a hero, out of Mr. Rosenfield.

Depicting Insurers as 'Outlaws'

Even more chilling for the industry: Mr. Rosenfield says he has gotten inquiries from consumer groups in at least 30 other states expressing interest in launching Proposition 103-styled initiatives.

The 36-year-old Mr. Rosenfield, who

to make of his new celebrity. Voter Revolt, the organization he founded last year to promote Proposition 103, ran its campaign on a paltry \$2.2 million, less than 4% of the insurance industry's war chest. But Mr. Rosenfield and four other full-time staff members substituted shoe leather and moxie: Working 18-hour days, they crisscrossed the state—often by Greyhound bus—hammering home a message playing up the initiative's cost-cutting benefits while scorning insurance firms as "outlaws" grown fat at consumer expense.

Mr. Rosenfield sometimes resorted to raw publicity stunts: He brought guards with him to deliver the signatures that got Proposition 103 on the ballot and he tried to have a truckload of manure delivered to various insurance industry executives.

Mr. Rosenfield's introduction to consumer advocacy was modest enough: in 1978, while a law student at Georgetown University, he signed on as a summer intern with Mr. Nader's Washington, D.C., office. "I got paid \$600 for the whole summer but it was the most fun I'd ever had," says Mr. Rosenfield, a suburban Boston native. Upon graduation, he spent three years honing his skills as a full-time lawyer for Mr. Nader before moving to California in 1981 as a consumer affairs lobbyist for a public utility watchdog group.

Help from Ralph Nader

When Mr. Rosenfield's Proposition 103 campaign began to heat up last year, Mr. Nader happily waded into the fray, lending his high-profile endorsement, and considerable campaign time, to the initiative.

If anything, the barbs aimed at Mr. Rosenfield have grown sharper since Proposition 103's passage and may not abate until the matter is resolved, by the courts or, potentially, by the California legislature.

"Mr. Rosenfield drafted a very irresponsible initiative and he waged a very dishonest campaign" to have it passed, asserts George W. Tye, executive manager of the Association of California Insurance Companies. The most charitable thing Mr. Tye can say about Mr. Rosenfield is that he is a "Don Quixote kind of character."

Mr. Rosenfield, who earns about \$20,000 a year in his current post, lives in a rental apartment, drives a Toyota and says outrage at having to pay \$2,800 a year to insure his car in part drove him to tackle California insurance reform. He denies speculation his eyes are on the insurance commissioner's job. He adds, "My job will be finished when the insurance companies



Harvey Rosenfield