

California Senate insurance panel hires former State Farm lawyer

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Reporting from Sacramento — A state legislative committee overseeing the insurance industry has hired a former lawyer for State Farm as a top advisor, alarming consumer activists who say the move is the latest spin of a busy revolving door between government and the industry. The appointment was made this week by state Sen. Ron Calderon (D-Montebello), who named Ken Cooley as one of two principal consultants to the Senate Banking, Finance and Insurance Committee, which Calderon chairs.

Cooley, a former legislative counsel for State Farm Mutual Automobile Insurance Corp., is one of at least eight political appointees in recent years who have worked both in the insurance industry and as key advisors for the state, which regulates insurance companies. Cooley's appointment has drawn opposition from activists, including Doug Heller, executive director of the group Consumer Watchdog, and Amy Bach, executive director of United Policyholders in San Francisco.

"The revolving door between the Capitol and the insurance industry is in constant motion, because the insurance industry knows how valuable it is to have their people on the inside," Heller said. "And consumers pay for it when the official analyses of legislative proposals have an industry bias."

Heller cited several other appointments of insurance industry people, including Mark Sektnan, who served as chief consultant to the Assembly insurance committee after previously working as a vice president for the American Insurance Assn.

Sektnan left the legislative job in 2006 to work as state relations officer for insurance giant AIG and is now vice president and chief lobbyist for the Assn. of California Insurance Companies.

Heller said the revolving door doesn't affect just the Legislature.

Dan Dunmoyer was an insurance industry lobbyist who later worked for three years as a top advisor to Gov. Arnold Schwarzenegger. He left state government in October and became head of state legislative and regulatory affairs for Farmers Insurance.

The insurance industry's influence in legislative committees has been instrumental in stalling key reforms, including a proposal to allow homeowners to be paid for lost possessions without painstaking itemization when wildfires destroy homes, Heller said.

Calderon, who accepted at least \$39,000 in political contributions from the insurance industry during the last two years, defended his appointment, saying Cooley brings needed expertise and integrity to the job.

"His past role as counsel for State Farm only adds to his experience and provides the committee with invaluable insight into the industry and how to best serve those impacted by insurance-related legislation," Calderon said.

Before he worked for State Farm, Cooley was chief counsel for the Assembly insurance committee during the 1980s savings and loan crisis. He is also vice mayor of the Sacramento area city of Rancho Cordova.

"I will be conscientious in my responsibilities," Cooley said. "I will be looking to promote public policy to serve the public well."

Bach said Calderon should not have hired Cooley.

"Ken Cooley has been advocating the insurance industry's interest for so many years, how can he possibly take that hat off. It's a bad pick," Bach said.