

Consumer Groups Denounce Attack on Consumer Watchdog

Mercury Insurance is only beneficiary of smear campaign

The latest attack on Consumer Watchdog proves that when you take on powerful corporate interests and beat them, you make enemies.

Consumer Watchdog is a courageous and remarkably successful advocate for consumer rights. An attack dog website was launched today that serves as a preview of the campaign against Consumer Watchdog we anticipate from George Joseph, the billionaire chairman of Mercury Insurance. The site features personal attacks on Consumer Watchdog employees.

Mercury Insurance and its billionaire chairman George Joseph have a long standing goal of weakening consumer protections that voters enacted in Proposition 103. Consumer Watchdog is the direct descendent of the organization founded by Harvey Rosenfield that won the Proposition 103 campaign. A national study found that thanks to Prop 103, California consumers have saved tens of billions of dollars in premiums for automobile insurance.*

Insurance billionaire George Joseph contributed \$8.2 million to qualify an insurance deregulation initiative for the November 2012 ballot. It is modeled on Mercury Insurance's failed Proposition 17 of 2010. Mercury Chairman Joseph's 2012 initiative would raise auto insurance rates on millions of California motorists, including drivers with perfect records.

Despite Mercury's \$16 million campaign, Consumer Watchdog defeated Proposition 17 in 2010. Consumer Watchdog stopped every other effort of Mercury Insurance and billionaire George Joseph to eliminate protections against unfair insurance rate hikes.

Consumer Watchdog stands up to powerful corporations, exposing fraud and abuse. Time after time,

Consumer Watchdog has demonstrated that it won't cave in to pressure from any quarter. This caused occasional friction with a few politicians when they deviated from their overall pro-consumer stance to do the bidding of corporate patrons, and who foolishly expected consumer groups to stay silent.

The individual who takes credit for the attack website is a political consultant with a long standing grudge against Consumer Watchdog. The site states it is "Paid for by Forza Communications" but offers no information about that entity. We see the handwriting of Mercury Insurance and billionaire chairman George Joseph all over this website. The website is filled with petty personal attacks on Harvey Rosenfield and other leaders of Consumer Watchdog. The website parrots the insurance industry's false claims that Proposition 103 has not saved consumers money. The website voices the industry's false statement that it was tort reform, not rate regulation, that reduced insurance premiums. Voters know better and will see through insurance billionaire Joseph's newest effort to raise rates on millions of motorists.

We stand with Consumer Watchdog. This shameful website only strengthens our resolve to stop insurance billionaire George Joseph's latest ballot scam.

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Consumer Federation of California

Beth Givens
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Ken McEldowney
Consumer Action

Mark Toney
The Utility Reform Network (TURN)

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United Policyholders

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Utility Consumers Action Network (UCAN)

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* “State Automobile Insurance Regulation: A National Quality Assessment and In-Depth Review of California’s Uniquely Effective Regulatory System” By J. Robert Hunter, Director of Insurance, Consumer Federation of America, April 2008

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Source: <https://uphelp.org/consumer-groups-denounce-attack-on-consumer-watchdog/> Date: August 14, 2024