

## Candidate Profile -- AAA Board of Directors

Shawn Steel, JD

This year's pro-consumer slate announced its team for the board of directors of the American Automobile Association (AAA). This team will be available to speak throughout Northern California and will work closely with the chiropractic community. Their primary objective is to motivate consumers to change the management that has created an anti-consumer environment against victim's rights.

Bill Press, Emmy award-winning television and radio commentator (KABC and KGO-TV) is a long-time consumer and environmental advocate. He was named 1989 Consumer Advocate of the Year for leadership on consumer issues. Statement of views: "I want to make the California State Automobile Association (CSAA) work for us. As your consumer advocate, I will fight for: 20 percent cuts in auto rates mandated by Proposition 103; prompt payment of claims, getting rid of redlining; cracking down on fraud; and slashing executive salaries. Long-term goal: quality low-cost health insurance for all members."

Dr. Merlyn Green, a doctor of chiropractic, was the immediate past president of the California Chiropractic Association. He feels that "CSAA members need an immediate 20 percent reduction in insurance rates, reduction of excessive litigation, excessive costs, and excessive executive salaries. CSAA should be the leader in planning affordable quality health insurance for all members. CSAA should not conceal its operation. It should allow members to participate in the corporation."

Leyla Bently is the vice president of the Pacific Bank, a member of the Public Affairs Committee, and former membership executive for the San Francisco Chamber of Commerce. Statement of views: "Business needs to act responsibly for those to whom it provides services. It is essential to reduce insurance rates 20 percent to comply with Proposition 103. Cost control must be set as a top priority. When elected, I will endeavor to keep these issues in the forefront of the board's consideration."

Ida C. Murray, director of Student Health Services for 17 years, has been in the health field since 1943. Statement of views: Seniors and all members deserve insurance rates reduced 20 percent. CSAA should be responsive to members' needs. I will represent seniors, who are often ignored. Open meetings should provide forums for members' views. Since health delivery systems change, CSAA should eliminate discrimination against alternative systems. There should be fair consideration of all claims."

Howard Owens is currently the president of the California Congress of Seniors and the treasurer of the Sacramento Mutual Housing Association. Statement of views: "Those of us on fixed incomes can no longer tolerate astronomical insurance rates. As a non-profit organization, CSAA should lead, rather than block efforts to cap rates and improve services. Information on CSAA's costs and expenses, and board's actions, should be open and available to all members."

Igancio De la Fuente is on the executive committee of the Alameda County Central Labor Council. Statement of views: "Insurance companies should not strip working people of their modest salary increases. We need the worker represented in setting reasonable insurance rates for one of

California's largest companies. When elected, I will push to reduce insurance rates 20 percent statewide. Not voting, or voting for an incumbent, will continue escalating insurance rates."

Harley White, a trustee of Peralta Community College District, is currently a music director for the San Francisco Unified School District. Statement of views: "CSAA needs affordable insurance rates which require reducing overhead and uncontrolled spending. Excessive executive salaries need review. Needless litigation must be ended. Just as I reformed Peralta's board, I will assist in returning this company to sensible spending and serving the future needs of all members."

Dr. Elsie L. George has been an educator for 30 years. He is currently a professor of history at the University of Nevada. Statement of views: "Economic conditions require an immediate 20 percent reduction in insurance rates. A substantial reduction in rates can be achieved with my consumer perspective on the board. It will require cost controls for overhead, executive salaries, and litigation expenses. Democratic changes worldwide should compel CSAA to allow members a realistic voice in CSAA's operation."

#### Consumer Challenge AAA: Round 2

AAA (California State Automobile Association for Northern California and the State of Nevada only) faces its annual election to elect one-third of its board of directors. Eight individuals are generally elected by proxy, from either an insured member of AAA, or a towing club card member. Each "member" has one vote. 98 percent of the vote is by proxy. The annual election takes place on February 28, 1991, in downtown San Francisco.

Contenders of this pro-consumer slate include: Dr. Merlyn Green, former president of the California Chiropractic Association, 1989-1990; Igancio De la Fuente, member of the CIO Alameda Labor Counsel; Harley White, trustee of the Peralta Community College District; and Ms. Leyla Bently, bank vice president. In Northern California, the pro-consumer candidate for Santa Cruz is Ida Murray, director of Student Health Service at Cabrillo College. In Sacramento, the candidate is a senior citizen activist, Howard Owens, who is the president of California Congress of Seniors; Dr. Elsie L. George, a professor of history at the University of Nevada, Las Vegas; and Bill Press, a popular television and radio personality.

Hundreds of chiropractic offices are mobilizing to aggressively solicit their patients, patient's families, friends, and business associates to sign the proxies. Approximately, one out of four drivers in Northern California are insured with AAA.

AAA has taken the most ferocious anti-chiropractic attitude ever seen in California history, by committing the following abuses:

1. Systematic denial of med-pay benefits legally owed to the patient by failing to pay for the chiropractic services.
2. Systematic delays and benefits sometimes exceeding over one year.
3. Requiring patients on a med-pay claim to submit to examinations through a medical doctor for chiropractic services rendered.
4. In cases involving AAA as a third-party insurer, requiring most cases to be litigated without the benefit of reasonable settlement.

5. Requiring doctors, unlike ever before, to submit to depositions on the most ordinary and mundane cases.
6. Not providing any cooperation to chiropractors or their staffs concerning the patient's rightful benefits under its contract, requiring excessive paperwork and time consumption, in order to effect patient's rights under the med-pay provisions.

AAA has made a bet that the chiropractic community cannot get organized to effect enough consumers. Bill Press states: "The consumer movement is alive and well in Northern California. When I talk to people on the air, a top concern is insurance rates and insurance accountability in California. I promise that if I am elected to the board of directors, I will open up the books and hold management accountable for its failure to reduce premiums to its own insured, as required by Proposition 103. Further, we will insist that the insured, who are actually owners of AAA, are treated like they are owners and not like bandits."

Statement of Purpose: By the Consumers Slate for Concerned Consumers for Improved CSAA

California State Automobile Association (CSAA) is the third largest insurance carrier in Northern California and insures one-fourth of all cars. CSAA is a non-profit, member-owned auto club that sells insurance and was founded in 1907. It is managed by a 24-person board of directors, who are elected to serve three-year terms, with eight being elected each year. CSAA currently has three million members in Northern California and Nevada, bringing in approximately \$2.7 billion each year.

The Bill Press slate promises to work for the following goals:

1. Lowering Rates: According to a recent voter revolt study, the auto club has arbitrarily set their reserve account for future claims payments 28 percent higher than any other company, including the for-profit insurance companies.
2. Streamlining Claims Procedures: The auto club requests, on a more frequent basis than other insurance companies, that costly Independent Medical Examinations (IMEs) be performed. An independent medical examination is performed by physicians. These fees are paid by CSAA and cost between \$700 and \$1,000 each. The examination is usually scheduled months after the policyholder has recovered and should have been paid. The delay of payment discourages the consumer from seeking benefits under the policy.
3. Decreasing Litigation of Claims: Policyholders seeking reasonable return on their insurance contract currently must file suit to recover a fair settlement.
4. Categorically Denying Claims: CSAA writes policies for various lines of coverage, then routinely denies these claims.
5. Eliminating Corporate Mismanagement: CSAA ( a non-profit association) has higher rates than most for-profit companies, but lacks the depth of managerial experience to properly set rates.

## Access to Inspect and Copy Financial Information

6. CSAA shall provide all members immediate access to inspect and copy any and all financial records.

## Access to Membership Records:

7. CSAA shall provide all candidates access to membership records.

## Employee Voting Rights:

8. CSAA shall cease using corporate funds or materials, including the use of CSAA employees to communicate with any employees, for any contested election for the board of directors, including any of the candidates.
9. CSAA shall halt the practice of allowing employees of CSAA to secure petitions, ballots or proxies for a contested election.

## What You can Do

When chiropractic faces a crisis, as it does in Northern California with AAA, it is time to pull out the gloves and organize.

When chiropractic clinics come under attack, it is time for political action. The independent slate, led by Bill Press, is a call to arms to all concerned chiropractors to improve AAA.

The California Chiropractic Association, once again is leading the chiropractic community toward developing an honest election and a fair choice for AAA members. Among the suggestions that the CCA is recommending, along with the Bill Press slate are as follows:

1. Post any articles that you find about AAA in your office, so that your patients can be aware of the extent of the AAA crisis.
2. Designate one person in your office to contact all former and current patients who may have insurance or roadside travel privileges with AAA.
3. Contact AAA patients, past and present, and ask them to sign the proxy, not only for themselves, but with members of their family who may also be proxyholders.
4. Place a large poster in your office encouraging patients to contact the family members and their friends who may be AAA proxyholders.
5. Forward your proxies to attorney Larry M. Murray, at 1781 Union Street, San Francisco, California 94123. Call his office at (415) 673-0555 for more information.

6. Coordinate with attorney Larry Murray to be one of the speakers at your local rotary club or your chiropractic society to discuss the AAA proxyholder fight.
  
7. Exercise your leadership in your local chamber of commerce or rotary club, for example, and have resolutions passed, asking for community support for an independent slate.
  
8. Immediately call the Concerned Consumers for Improved CSAA, at (415) 673-0555, to lend your thoughts, ideas, and help.

*Shawn Steel, Esq.*  
*Los Angeles, California*

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