

**MINUTES  
PUBLIC FORUM  
AUTO INSURANCE RED-LINING**

**December 7, 1986  
1:00 P.M.  
Plummer Park - Fiesta Hall**

**EXECUTIVE SESSION:** A closed session was held from 12:00 noon to 1:00 p.m. to discuss matters of personnel. Mayor Schulte announced that they had met, along with Councilmember elect Abbe Land, on the annual evaluation of the City Manager.

**CALL TO ORDER:** Mayor Schulte called the meeting to order at 1:15 p.m.

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was led by Abbe Land.

**ROLL CALL:**

**PRESENT:** Albert, Heilman, Viterbi, Mayor Schulte

**ABSENT:** None

**ALSO PRESENT:** Assistant City Manager Chenelle  
Mark Kleiman, Attorney  
Steve Miller, Executive Director,  
Insurance Consumer Action Network  
Tony Melia, Independent Insurance Agent

**1. PUBLIC FORUM - AUTO INSURANCE RED-LINING:**

Mayor Schulte introduced the program and Councilmember Heilman gave the background report followed by expert testimony by Mark Kleiman, Steve Miller, and Tony Melia. Following the presentations there were questions by the Council.

At this point in time, the following persons came forward to speak:

Samuel Kaye, 1160 N. Ogden Drive, Apartment No. 102: Stated that most elderly people can't afford insurance. Felt that the City should try to form its own insurance company.

Ethel Shapiro, 328 Westbourne: Has copy of a bill now pending in the State Assembly that was presented by Gloria Molina. Thanked Mr. Melia for explaining the difference between redlining and territorial rates. Feels there is no simple answer.

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Ellen McDonald, 342 N. Poinsettia: Asked if Insurance Companies on the stock market were under the Freedom of Information Act, and was informed that only public companies were. She asked if the higher rates encouraged litigation and also why the insurance companies penalize drivers when they have accidents that are not their fault.

Ed Meripol, 1328 N. Havenhurst Drive: Just had a large rate increase even though he had a clean record, only because he lives in West Hollywood.

Pete Depew, 9000 Cynthia Street: Feels it should be mandatory to have insurance before registering a vehicle.

Muriell Hunter, 5440 Monroe Street, Los Angeles, 90038: Furnished the Council with a notice from Colonial Penn Insurance Company, raising her rates, due to the territory in which she lives.

Rick Nehring, 7506 Romaine St.: Pays more per year for insurance than his car cost him. He is single, driving for 13 years and has a clean record.

Nancy Taylor, 1047 N. Crescent Heights: In favor of not increasing rates depending on how many miles you drive.

Jose Lahorra, 8530 Holloway Drive, #219: Had 3 cars stolen when he lived in Westchester. Has just moved to West Hollywood, has a perfect driving record, no tickets, doesn't drink or smoke and his insurance more than doubled when he moved here.

At this time the Councilmembers offered recommendations on how to help deal with the problem.

Councilmember Heilman suggested that the City continue to monitor the lawsuit that has been brought by the City of Compton, as if it is successful, the City of West Hollywood may choose to file suit challenging the rate setting process in our City.

The City should monitor the legislation that has been introduced and ask our legislators to co-sponsor legislation on our behalf.

Ask our legislators to sponsor legislation that would allow cities to offer group insurance plans.

Determine when the initiative might be effective again.

Contact major Insurance companies and try to work with them.

Schedule another meeting or forum with someone from the Insurance Commissioner's office.

Work for legislation to require the Insurance Companies to open up their books.

Work to require the Insurance Commission to regulate the industry more aggressively and require Commission approval before they can raise their rates.

Try to assist consumers in the City to obtain information about the lowest rates available.

Work with other organizations such as the League of California Cities, Southern California Association of Governments, etc. to effect changes.

Mayor Schulte suggested that we work with other cities and maybe even hire a lobbyist in Sacramento to work on our behalf.

Councilmember Albert thanked Tony Melia for being present. Many other people from the industry were invited but chose not to attend.

Councilmember Viterbi stated that he felt the above recommendations were all good.

Mayor Schulte thanked all those present for their participation. He felt that this subject should be brought back to the Council after the first of the year with a plan for some action or further discussion such as a follow-up meeting with the Insurance Commissioner's Office.

The meeting was adjourned at 3:05 p.m. to December 8, 1986 at 5:30 p.m. to continue the City Manager evaluation in closed session and then to 7:00 p.m. at West Hollywood Park for the regular City Council meeting.