

reports over the years that are very critical of the CLO (For example, in the summary of the Auditor's 2001 report, it states

"This report concludes that the CLO does not adequately safeguard and conserve insurance companies' assets by following prudent business practices and adhering to established controls. During our review, we identified significant weaknesses...we noted that the CLO does not effectively manage its contracts...the CLO uses a basis to allocate certain of its costs that is not equitable...the CLO has not recently updated its estate closing plans or prepared cash flow projections as a means for ensuring that investment decisions are optimized."

It goes on to say that:

"Moreover, the department [of Insurance] and the CLO have not addressed many of the issues raised in our previous two audit reports..."

In other words, the Department of Insurance and the CLO are incompetent and unresponsive...just what you expect from a political organization. No one in the last several administrations has done anything about the waste of millions (perhaps billions) of dollars of assets of defunct insurers. The California Insurance Guaranty Fund (CIGA) usually pays the claims (or most of the claims) of failed insurers and becomes a creditor of the estates of those insurers. However, the funding for CIGA comes from the citizens of California in the form of surcharges on our insurance policies (increased rates). Mr. Ogden plans to address these serious and costly criticisms and make the CLO responsive and cost-effective in its handling of insolvent or impaired insurance companies.

"I have personally organized and managed the rehabilitations and liquidations of several insurers in such a way that there was not one dollar of cost to the taxpayers or insurance consumers of any state in which the companies conducted business."

-- Candidate Dale F. Ogden

Reduce Administrative Bloat

While accomplishing these and other major goals, Mr. Ogden plans to dramatically reduce the budget of the insurance department. Prior to 1988, the insurance department's budget was about \$28 million per year. It now is several times that (almost \$200 million) and it is still growing.

California used to have a national reputation for competent insurance regulation, along with a few other heavily-populated states. Since Proposition 103 gave us elected insurance commissioners, we've become a national joke. With only \$28 million in the late 1980's

the Insurance Department could accomplish everything that needed to be accomplished. At least \$150 million and probably more could be subtracted from the current budget and no one (other than the political hacks and other dead weight) would notice. Several high-placed individuals who have worked with the California Insurance Department under both appointed and elected Insurance Commissioners agree with Mr. Ogden's assessment of the budget.

Who is Dale F. Ogden?

Dale F. Ogden resides in San Pedro, California with his wife and son. He first came to Southern California in 1985 as a part of a work assignment; he designed, organized and implemented the corporate restructuring of a group of failing insurance companies. Those companies survived and today continue to provide both jobs and insurance services to businesses and individuals.

In 1987, he moved to San Pedro. When his assignment was complete in December 1987, he quit his job with an east coast consulting firm and established his consulting firm, Dale F. Ogden & Associates. Today, he is self-employed as an insurance expert and property-casualty actuary and provides consulting services in the areas of property-casualty and health care insurance and related areas to the federal and state government agencies, and to private insurance clients and insurance consumers throughout the United States.

In addition to more than 15 years with Dale F. Ogden & Associates, his employment included about 7 years (in New York and Los Angeles) with a "big four" accounting and consulting firm, about 4½ years with an east coast insurance specialty consulting firm, and 3½ years as Chief Actuary for the Maryland Automobile Insurance Fund, a state-created automobile insurer.

Dale F. Ogden is both a property-casualty actuary and a life-health actuary. He currently serves on two actuarial committees and several working groups that relate directly to insurance regulatory issues, including the Committee on Property Liability Financial Reporting, the Committee on [Loss] Reserves, and the Task Force on Reserving Principles. He is a faculty member of a Task Force that designs and teaches Seminars for Actuaries who issue Statements of Actuarial Opinion for state insurance regulators. Previously, he served as a member of the Committee on Financial Reinsurance and the Committee on Property and Liability Issues, where he was a principal author of the American Academy of Actuary's Statement of Position regarding the proposed regulations implementing California's Proposition 103 in the early 1990's.

**Let's elect Dale F. Ogden
California Insurance Commissioner!**

Dale F. Ogden

Libertarian



**The Most
(The Only)
Qualified Candidate
in 2006 for
California State
Insurance Commissioner**
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Dale F. Ogden

Libertarian

for California Insurance Commissioner

Dale F. Ogden has spent more than thirty years acquiring the broad base of insurance knowledge and experience that uniquely qualify him to be an efficient and effective Insurance Commissioner for the State of California. No other candidate from any political party has such a comprehensive knowledge of the insurance business, insurance law, and insurance regulation.

As a Libertarian, he believes that government regulation of the insurance business, especially by life-long politicians, almost always harms consumers by interfering with the natural competitive forces that result from having several hundred licensed insurance companies in California. However, unlike his elected predecessors, a Democrat and a Republican, and his opponents in 2006, he also believes that California insurance laws should be enforced as they are written and for the benefit of the taxpayer citizens of California, not for the benefit of the Insurance Commissioner to further his political career.

In 1998, Dale F. Ogden warned the public of the corrupt and unethical practices of Chuck Quackenbush and some of his chief lieutenants. Their corruption was exceeded only by their incompetence and arrogance. Chuck Quackenbush ultimately was forced to resign in disgrace in July 2000.

As long ago as January of 1990, Mr. Ogden was the principal author of a critical actuarial analysis of the unconstitutional and impractical (and unnecessary) rate filing regulations proposed by John Garamendi, allegedly to implement Proposition 103. The California courts ultimately agreed with Mr. Ogden's analysis and rejected Garamendi's regulations. An analysis of the economic effects of Proposition 103, prepared by a nationally-reknown actuarial firm, was presented at the fall 2001 meeting of the National Association of Insurance Commissioners (an association that includes state insurance regulators from all 50 states, the District of Columbia, and United States territories). It found that "...the political uncertainty imposed on the auto insurance rate approval system by Proposition 103 cost California auto insurance policyholders between \$8.6 billion and \$13 billion in potential premium reductions

that insurers were reluctant to make over the past decade. [from 1991 through 2000]" Both Garamendi and Quackenbush tried to further their personal and political goals through impractical and unlawful rate approval regulations and corrupt processes. Unlike his predecessors and opponents, Mr. Ogden would eliminate all political considerations in the rate filing approval processes and let the competitive insurance market work.

Both Quackenbush and Garamendi attempted to extort (for lack of a better description), more or less successfully, campaign contributions from insurance companies, hoping to build war chests for future campaigns for higher office (thankfully, Garamendi lost the primary for governor in 1994, but now he's running for Lieutenant Governor, no doubt with his eye on the Governor's mansion). Both abused their position as Insurance Commissioner to further their personal and political goals.

Several hundreds of millions of tax dollars have been wasted and many billions of dollars of excessive insurance premiums have been paid by California consumers in the years since the first elected Insurance Commissioner assumed office in January 1991. Neither Democratic nor Republican Insurance Commissioners have been able to resist their urges to build political empires with your tax dollars and your insurance premiums. To the contrary, they aggressively attempted to manipulate and control the insurance markets for their personal and political gain.

Isn't it time to elect an Insurance Commissioner whose only allegiance is to the people of California, not to the power structure of the Democratic and Republican parties?

Isn't it time to elect an Insurance Commissioner who will allow the several hundreds of insurance companies licensed in California to compete for your business based on price and quality, like most other businesses? Had this been done, the public would have saved at least \$8.6 billion during the 1990's in automobile insurance premiums alone.

The California Insurance Department's budget, paid by your taxes, has increased more than 700% since 1988 (from \$28 million to almost \$200 million), when Insurance Commissioners were appointed by the Governor! Let's elect an Insurance Commissioner who knows how to cut \$150 million of political waste from the bloated budget of the Department of Insurance without cutting a single service to the public!

Let's elect an Insurance Commissioner whose knowledge of and varied experience with insurance regulation in all fifty states has shown him what works and what doesn't!

Let's elect Dale F. Ogden to be our next Insurance Commissioner!

"First, do no harm!"

As insurance commissioner, Mr. Ogden has stated that his foremost goal would be to "Do no harm." With the politicizing of insurance regulation, we've had corrupt and incompetent individuals using the resources of the Department of Insurance and the insurance industry (through pressure tactics, extortion, and intimidation) for personal gain and as a stepping stone to higher political office.

Most economic regulation is harmful to the citizens and to the economy; if anyone gains from regulation, the benefits usually are limited to the politicians who exercise the vast discretionary power over the industry. Sometimes, the regulated industry also benefits (much like the phone company and the electric company) because it is shielded from competition and customer accountability by regulators. Vast resources are wasted making the regulators and politicians happy that better could be used making customers happy.

"Throughout my thirty years of experience with insurance regulation throughout most of the States and territories (and other countries), I have seen what works and what doesn't work; I have seen the damage done by excessive zeal and intentional abuse by elected and appointed politicians looking for personal gain and political benefit. I would not make those mistakes nor would I commit those abuses."

-- Candidate Dale F. Ogden

Revamp the Conservation and Liquidation Office

Another major goal of Mr. Ogden would be to completely revamp the Department of Insurance, Conservation and Liquidation Office (the "CLO"). The CLO manages insurance companies during their rehabilitation and liquidation. The CLO is supposed to marshal the assets and settle the liabilities of defunct insurers in a cost-efficient manner. Instead, as happened with Executive Life Insurance Company and the Mission Insurance Group, and dozens and dozens of other situations, the assets of the defunct insurer are wasted paying multi-million dollar consulting fees to politically favored individuals and groups, most of whom are unqualified for the task at hand. Those fees ultimately generate campaign contributions and other benefits for the regulators and their political allies. The California State Auditor recently has issued several