

Thursday, June 29, 2000

Quackenbush Resigns, Quake Victims Not Mollified by Departure

Some in the San Fernando Valley demand a public apology. Others want the investigation to run its course.

In the San Fernando Valley, the area hardest hit by the Northridge earthquake, the resignation of Chuck Quackenbush didn't seem to ease the anger felt toward the former insurance commissioner.

"My first question is, what kind of deal did he cut?" said Dave Compton, president of a Valley Village condominium residents association, moments after learning of the resignation.

The Ben & Kling Homeowners Assn. is still involved in a fight with Farmers Insurance over earthquake claims, he said.

"Quackenbush siphoned off a lot of money and let the insurance companies off the hook," Compton said. "That should not just all go away. Charges should be brought against him. Someone has to be held accountable."

Barbara Shugar of Woodland Hills wished that Quackenbush hadn't resigned, but not because she was rooting for him.

"I think he should have had to go through the whole process--impeachment and everything--because of what he did to people like me. He had no problem going through the fraud end of it," she said.

Shugar, 64, probably got closer to the commissioner than any homeowner affected by the earthquake. In 1997, her severely damaged home was chosen by Quackenbush's office as the site for a personal visit and news conference by the commissioner. There, he proclaimed that his office would aid Shugar and many other homeowners embroiled in battles with insurance companies over time limits for submitting claims.

Not long after that, however, Shugar said she felt betrayed, believing that the visit was a publicity stunt. She eventually settled her suit with 20th Century Insurance.

If she could speak to Quackenbush now, Shugar said, she would tell him he should make a public apology, mostly for the sake of his family.

"I know that the public outcry over what he has done has to be affecting his children," she said. "They go to school, they hear things.

"It would be a healing process for everyone involved if he would stand up and take responsibility for what he has done."

Rick Bennett, president of the Devonshire Village Homeowners Assn. in Northridge, said the former insurance commissioner irreparably damaged people's lives.

"What this gentleman did was worse than murder," Bennett said. "A murder can impact 20 to 30 people. What he did impacted the

lives of tens of thousands of Californians for the last 6 1/2 years and has changed their lives forever."

Bennett said the commissioner should be replaced with a three-person panel to ensure checks and balances.

"He should be given the maximum penalty for any offenses that he has committed," Bennett said. "If this does not happen, it will give other politicians carte blanche to follow suit in the future."

The head of the nonprofit Community Assisting Recovery organization that provided advice and support to about 10,000 homeowners over earthquake insurance claims looked to the future. "The next step should be to focus on the victims, to see if we can finally get them some of the money they deserve," said George Kehrer, executive director.

He cited the fact that Quackenbush had rejected recommendations from his own department staff that insurance companies be forced to pay reparations to policyholders. "They were talking about over \$100 million that could have gone to consumers, but instead, Quackenbush cut deals," Kehrer said.

Sara Bacon, whose Reseda home was heavily damaged by the temblor, said Quackenbush's resignation solves only part of the problem. "Policy owners still need protection from abuse by insurance companies."

She said homeowners should support legislation introduced by state Sen. Tom Hayden (D-Los Angeles) calling for the creation of a watchdog group to monitor the insurance companies and the state insurance commissioner.

Because Quackenbush was a poor advocate for homeowners, Bacon said, homes and public buildings have not been adequately repaired.

"They are like a pinata," she said. "The first time you hit it, it will be weakened. The second time it doesn't have to be as hard, but it goes to pieces. There will be other earthquakes and the damage will be worse."

Executives of 21st Century Insurance (formerly 20th Century), the Woodland Hills-based firm that handled numerous quake claims, said the company is committed to working with Quackenbush's replacement.

"We will look forward to working with whomever the governor appoints," said Ric Hill, a company spokesman.

Former state Sen. Herschel Rosenthal, whose district included parts of the San Fernando Valley, said Quackenbush's resignation was too late in coming.

"I think he should have left a long time ago, but I'm glad he finally did," said Rosenthal, who spent 24 years in the Legislature.

His assessment of Quackenbush's chances for future office: "I don't think he has a political future. I'm not sure if he is a lawyer or whatever, but he will have to work at something else."