

OPINION

EDITORIALS

Car insurance discounts for the well-off?

Lower rates for 'affinity groups' are more common among higher-income drivers, a survey shows.

IF YOU'RE A LATINO or black Californian with a low-wage job and no college degree, you already have the economic deck stacked against you. And now, a survey by the Department of Insurance shows that you probably aren't getting a discount on your car insurance that more affluent Californians get, regardless of how safe a driver and reliable a customer you may be.

The survey asked insurers across the state for data on the discounts offered to "affinity groups" — occupational and professional associations such as the California Teachers Assn., membership organizations such as Costco or the Asian Business Assn., or groups affiliated with the insurers themselves. The results suggest that the discounts, which range from 1.5% to 26%, flow to far more drivers in well-to-do parts of the state than in poorer ones.

Car insurance isn't supposed to work that way in California. The landmark Proposition 103, which voters approved in 1988, was designed to sever the links between car insurance premiums and race, income level and neighborhood demographics. Instead, the law required that rates be based on each applicant's risks, as measured by such factors as his or her driving record and experience, and the number of miles driven per year. It also barred insurers from setting premiums that discriminate on the basis of race, ethnicity and other factors protected by state civil rights laws.

Affinity discounts are understandably popular, however, among the recipients. For example, the California Teachers Assn. said in a letter to the Insurance Department, "Any curtailment to this benefit can mean less money for our hard-working educators and their families who are already paying thousands of dollars out of their own pockets to purchase school supplies and materials for students who are in need."

That may explain why the discounts have survived multiple attempts over the years to eliminate them. The latest came in February, when Consumer Watchdog, the advocacy group behind Proposition 103, and 10 other organizations asked Insurance Commissioner Ricardo Lara to adopt a rule barring affinity group discounts. The petitioners argued that insurers were using the discounts to cater to more highly educated and highly paid customers. That includes offering discounts to applicants who are lawyers, scientists, engineers, even "white-collar contractors" — but not, evidently, those who are temp workers, cashiers or burger flippers.

Lara denied the petition, opting instead to conduct the survey, gather comments and hold a hearing late last month. It has released a summary of the survey's findings, which Lara rightly called "disturbing."

Defenders of the system insist that affinity group discounts are based on the lower risks associated with the group's members. But that doesn't explain why so many of the groups are organized around higher-paying jobs, and why so many of the recipients are in wealthier neighborhoods.

The department compared the survey data with average household income statistics and found a direct relationship between a neighborhood's income and the percentage of drivers receiving a discount. At the bottom level — ZIP Codes with per capita income of less than \$22,500 — only 26% of the drivers received an affinity group discount, which ranged from 5% to 8% on average. At the top level, with per capita incomes above \$50,000, 55% received the discounts.

Even assuming that insurers aren't intentionally trying to use these affinity groups to charge higher premiums to lower-income black or Latino drivers, the survey — just like data gathered separately by consumer groups — shows that the affinity programs as practiced in California have that effect. Insurers insist that offering the discounts does not result in surcharges on drivers who are not in an affinity group, but critics of the system say that's the inevitable result. Regardless, it's inarguable that the discounts enable applicants in a group to pay less than drivers with identical safety records and commuting patterns outside the groups. And the chances of you being stuck on the outside increase as your income drops. That's just wrong.

The Department of Insurance is evaluating the information it's gathered, and it seems likely to take some action to address the disparities caused by the affinity groups. It needs to make sure the discounts aren't violating the spirit and anti-discriminatory letter of Proposition 103 by giving some Californians a break on premiums that those with less education or less esteemed occupations simply can't get.

OP-ED

Fueling the next Rim fire

The state's clear-cutting project sets up the area for another tragedy.

By Chad Hanson and James Hansen

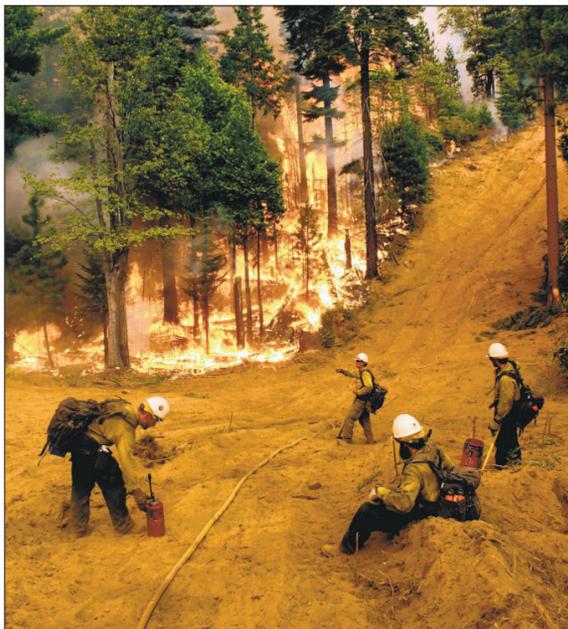
DURING HOT, DRY and windy conditions last November, the Camp fire devastated the towns of Paradise and Concow in the northern Sierra Nevada, ultimately claiming at least 85 lives and destroying thousands of homes. The tragedy was a wake-up call regarding the increasing risks to vulnerable communities stemming from the human-caused climate crisis.

But forest fire behavior is complex, and multiple factors affect fire severity. In addition to high regional temperatures and aridity, the Camp fire was fueled by persistent forest mismanagement.

After the Butte Complex fire of 2008 that burned the forest just east of Paradise, there were years of extensive post-fire clear-cutting and artificial planting of dense tree farms on private and public lands. The Camp fire burned rapidly and intensely through these heavily post-fire logged areas as it spread toward Paradise, consistent with the findings of scientific research establishing that such post-fire management tends to increase future fire intensity.

Post-fire logging leaves behind kindling-like "slash debris" (branches and treetops) and spreads combustible non-native weeds like cheatgrass. In addition, the croplike tree farms planted after clear-cutting generally burn more intensely when fires recur.

Even in the face of that research and those lessons, Gov. Gavin Newsom's administration is partnering with President Trump's team to clear-cut and then plant tree farms on several thousand acres of national forest lands in the Rim fire area, which scorched more than 250,000 acres in and around Yosemite National Park



MIKE McMILLAN Associated Press

MORE THAN 250,000 acres were scorched during the 2013 Rim fire in and around Yosemite National Park.

in 2013. Adding insult to injury, the Newsom-Trump project utilizes \$28 million of federal Housing and Urban Development funds that were supposed to be used for community disaster recovery and rebuilding.

The state of California, in conjunction with the U.S. Forest Service, requested these funds from HUD based on the claim that trees would not naturally grow back in the Rim fire, and that clear-cutting and artificial tree planting was the only option. But now we know better — forests are naturally regenerating vigorously in the Rim fire.

This clear-cutting started over the summer and is being undertaken near the western border of Yosemite, arguably the crown jewel of the nation's national park system. The entire scheme — misusing community disaster relief funds to subsidize widespread clear-cutting on remote public lands — is fraught on multiple levels.

As a group of U.S. Forest Service scientists observed last fall in the journal of Forest Ecology and Management, the last time the Forest Service conducted post-fire clear-cutting and created dense tree plantations in this same area, it caused "rapid fire spread and high fire intensity" during the Rim fire.

Some small towns, as well as many large resorts — each with many dozens of cabins — are in close proximity to the planned clear-cuts and tree plantations in the Rim fire, setting up the region for another tragedy like the Camp fire.

The Rim fire clear-cutting plan also exacerbates the global climate crisis. Vigorous, naturally regenerating young conifer forests actively sequester an increasing amount of carbon each year, which helps reduce greenhouse gases responsible for climate change in our atmosphere. Such forests are being clear-cut in the area right now. Moreover, the Rim fire clear-cutting plan calls for felling and bulldozing trees into giant piles in places, and incinerating them on site with accelerants, leaving large areas of scarred, barren ground.

ERIC FRANKLIN AMARANTE is a professor at the University of Tennessee College of Law who studies how the tax code subsidizes hate groups.

Why white hate groups get a tax break

By Eric Franklin Amarante

WHAT'S THE difference between UCLA and the KKK? Or a neo-Nazi and a Girl Scout? These are not set-ups for jokes. They are questions the House Ways and Means Oversight Subcommittee recently spent 2½ hours trying to answer. This is because many white supremacist groups enjoy the same tax-exempt status as public universities, churches and other charities — simply by claiming to be educational.

For instance, the New Century Foundation, a self-styled think tank, publishes a racist magazine rife with dire warnings such as "a European population cannot survive in a multi-racial society" and "when blacks are left entirely to their own devices, Western civilization — any kind of civilization — disappears." By persuading the Internal Revenue Service that such drivel is educational, it is legally considered a charity, it didn't have to pay federal taxes on the nearly half-million dollars of revenue it reported in 2017, and its donors enjoyed federal and state (including California) income tax deductions on their contributions.

That's only one example of many. As Rep. Judy Chu (D-Monterey Park) pointed out in the subcommittee hearing, at least 60 hate groups are regis-

tered as charities.

In what world are white supremacists considered educational and therefore charitable? This is not just an academic issue. We now know that white supremacist theories inspire mass shooter after mass shooter. Rep. Linda T. Sanchez (D-Whittier) did not exaggerate at the hearing when she said that "people have lost their lives because of the vile hatred that is spewed by these groups."

In the last year alone, this was certainly true at the Tree of Life synagogue in Pittsburgh, the Garlic Festival in Gilroy, Calif., and the Walmart in El Paso. Total number of people killed by domestic terrorists in these three tragedies: 36.

So again, why does our tax code subsidize white supremacy? The answer is depressingly banal: The IRS, the agency charged with policing the charitable sector, does not have the resources to review charitable status applications or regulate the activities of charities. Over the last two decades, systematic underfunding of the IRS has reduced the staff in its exempt organizations division by almost 40%.

Before it was eviscerated, the IRS actively policed white supremacist groups trying to pass as charities. In 1983, the IRS denied tax-exempt status for a racist and anti-Semitic group called the National Alliance. The same year, the IRS revoked Bob Jones University's tax-exempt status because it

prohibited interracial dating. But today, the IRS no longer has the resources to conduct such investigations.

The first step that needs to be taken is to properly fund the IRS. Without funding, the IRS cannot even begin to tackle this issue.

The second step is to make sure the IRS has the political support to take on these well-funded white supremacist groups. There has been some movement on this front. In January, the House passed a resolution called "Rejecting White Nationalism and White Supremacy" by a vote of 424 to 1 (Rep. Bobby Rush, a Democrat from Illinois, voted against it, saying it "did not go far enough"). In 2017, in response to the murder of Heather Heyer, who was killed when a white supremacist drove his car into a crowd of peaceful demonstrators in Charlottesville, Va., President Trump signed a joint resolution denouncing "white nationalists, white supremacists, the Ku Klux Klan, neo-Nazis and other hate groups."

Although these resolutions were largely symbolic, they suggest IRS action against white supremacists would have bipartisan support.

Some policymakers are skeptical of taking aggressive action against white supremacist charities. As Rep. Kevin Brady (R-Texas) emphasized at the hearing, the 1st Amendment "not only applies to speech we agree with, but it also

applies to speech we despise." But while the 1st Amendment promises that the government will not restrict speech, it does not promise anyone a tax subsidy.

If the IRS refuses charitable status because a group is not educational, without reference to the content of the group's speech, the 1st Amendment is not an issue.

The argument is not that the New Century Foundation should cease to exist — just that it should pay the taxes it owes, just like small businesses and hard-working families. In the early 1980s, the IRS showed how this can be done, and with proper funding, it could do it again.

Rooting out white supremacists disguised as charities would not put an end to hate crimes or mass shootings. But it could help, and our government would no longer be in the business of legitimizing hate groups and subsidizing white supremacy.

CHAD HANSON is a forest ecologist with the John Muir Project. JAMES HANSEN, a former director of NASA's Goddard Institute for Space Studies, directs the Climate Science, Awareness and Solutions program at Columbia University. They and others recently filed suit to halt the Rim fire clear-cutting project.

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