



California's Unfair Competition Law Goes Public

By [Larry M. Golub](#)

August 19, 2008

California's Unfair Competition Law, as codified at Business & Professions Code sections 17200 – 17210, has ensnared countless companies (including insurance companies) operating in California for many years. Under that statute, attorneys seeking to represent consumers filed all sorts of actions alleging a panoply of “practices” claimed to be “unlawful, unfair or fraudulent.” In 2004, the voters of California passed Proposition 64, which eliminated some of the abuses in the “private enforcement” of the Unfair Competition Law, but Proposition 64 did not affect the ability of public officials, such as the Attorney General, District Attorneys, and City Attorneys, to use the Unfair Competition Law to challenge companies’ business practices they wanted to curtail.

An article published in the [Los Angeles Daily Journal](#) on August 13th, 2008, *L.A. Targets Insurers With Unlikely Law, City Attorney Uses Watchdog Weapon on Health Plans*, discusses the use of the Unfair Competition Law by Los Angeles’ City Attorney to challenge certain practices of health insurers operating in California.

The article quotes the City Attorney as saying that his “main goal” with the Unfair Competition Law “is behavior change,” and it is more effective against companies than even criminal prosecutions. Jeffrey B. Isaacs, who heads the City Attorney’s special litigation unit, is cognizant of the changes brought to the Unfair Competition Law in the private context, however, and states: “We don’t want to abuse it as happened prior to Proposition 64,” and “We understand that we have this authority entrusted to us, and we want to use it carefully.”

The purpose of this alert is to notify you and make you aware that, according to the article, “the city attorney’s office [is] extolling the benefits of the Unfair Competition Law and encouraging city prosecutors to use it aggressively.”

[Barger & Wolen](#) has substantial experience in addressing Unfair Competition Law claims. If you would like to address any issues raised by the article or the Unfair Competition Law more generally, please email me at lgolub@bargerwolen.com.

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