

A CONVENIENT UNTRUTH:

How lying, thieving, weaseling insurance experts aid and abet claims denials and lowballing by POA



Defense expert, Timothy Marshall of Haag Engineering, was found by a jury to be completely "bought and paid for" by State Farm. His testi-

mony that winds did not cause damage during tornados and hurricanes enables insurance companies to deny legitimately covered claims.

Just last month, a conservative Oklahoma jury found that State Farm treated its policyholders with malice and reckless disregard. No big surprise to readers of this newsletter.

The jury awarded \$13 million, nearly \$10 million of which were punitive damages and opened the "flood gates" for damages due to some 70 similarly situated State Farm policyholders in Oklahoma. Some 70 other State Farm policyholders formed a class action over State Farm's denial of claims when damaging winds from a 1999 tornado reached 318 miles per hour, the strongest ever recorded. This recent case was representative of the whole lot of 70 other cases. Damages for the remaining 70 will now be determined.

After the trial, jurors told the plaintiff's attorney, Jeff Marr, that they didn't buy State

Farm's expert witness who testified that the 318 miles per hour winds did not damage the home. Photographs of the damaged home told a different story: there was a gaping hole in the roof, a large board was thrust horizontally through the home, a sturdy chain-link fence was flattened like a pancake and grass was sucked out of the ground by its roots.

Timothy P. Marshall of Dallas-based Haag Engineering Co., served as State Farm's expert witness. Haag Engineering's fingerprints are all over many extremely questionable claims denials and lowball repair/replacement estimates sent to policyholders from Nationwide, USAA, Allstate and of course, State Farm. And here's the kicker: Haag and others like them are hired by insurance companies for claims ranging from ordinary water damage to tornados to hurricanes and their conclusions are remarkably predicable: the cause of the damage is not covered by the policy.

Haag and others like them give "cover" to insurance companies because insurers can hold up bogus and completely unbelievable engineering reports that claim the damage sustained was caused by a peril not covered by the policy, thereby avoiding any and all payments for damaged properties.

Katrina victims are closely monitoring the fall out of the Oklahoma case, which is being appealed, of course, by State Farm. Marshall and his employer, Haag Engineering, have been hired to invalidate many a Katrina claim.

Just recently, the first Katrina insurance case went to trial. Marshall testified that winds from Katrina in Pascagoula never exceeded 100 miles per hour during the hurricane thus it was the water, not wind, that damaged the home.

NOAA's Scientific Oceanographic and Meteorological Laboratory scientists disagree. They pegged Katrina's peak gusts at 140 to 145 miles per hour.

Not surprising, wind damage is covered, rising water is not so it behooves insurers to hire "experts" willing to sing the song that water did the damage, not the wind. Even if the damage included damage done by rising water (tidal surge), winds came long before the tidal surge. And, erratic winds pounded the coast for hours and were coupled by microbursts of higher winds that behave like tornados and cause just as much damage. Most structures could not support the turbulent waxing and waning force of Katrina winds.

The insurers' position that water not wind did the damage is further discredited by those pesky tornado warnings issued by the National Weather Service in the wee hours of the morning of August 29, 2005, the day Katrina hit. Eyewall warnings (warnings that the leading edge of the eye of Hurricane Katrina was spotted on Doppler radar) began to be issued several hours later. The National Weather Service continued to issue warnings throughout the morning that included this language: "Destructive wind gusts of 100 to 120 mph will be noted near the eye of

Katrina. These destructive winds will produce wind damage similar to a tornado over large areas."

Herbert Saffir, the dude who helped create the Saffir-Simpson scale, the scale that categorizes hurricanes from 1 - 5, depending on wind speeds, surge heights and central barometric pressure, explained, "You can't have a storm surge without the wind blowing the water up, so you've got to have some wind blowing before there's any storm surge. By the looks of the coastline, some of the tree fall indicates that the wind and certain damage occurred before the storm surge even got to the coastline."

Jeff Marr, the attorney who just kicked State Farm's butt, admits that civil penalties levied against insurers won't change the way they do business. He says, "If somebody goes to jail, maybe that's what it's going to take."

In an interview, Tim Marshall (Remember him? He's the one with Haag Engineering who gets hired to sing the "it was the water not the wind" song.) says he may consider retirement and just go fishing. Hasta Lavista, baby.

Insurers tend to have a more sympathetic ear at the appeals level because of judicial campaign contributions and lobby pressure exerted on justices.

Analysis of insurance company related campaign contributions to appeals court justices proves that insurers have been focusing their political dollars at the appeals levels because they know that jurors hearing cases will slam them for their bad behavior. Their hope is that lower court judgments will be overturned by their pals on the appeals courts.