

## Judge dismisses hurricane insurance lawsuit

AP  
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A federal judge on Wednesday dismissed an antitrust lawsuit Louisiana's former attorney general filed against some of the nation's largest insurance companies after hurricanes Katrina and Rita.

The suit, filed in 2007 by former Attorney General Charles Foti Jr., accused Allstate Insurance Co., State Farm Fire and Casualty Co. and other insurers of conspiring to shortchange policyholders after the hurricanes struck the [Gulf Coast](#) in 2005.

The companies asked U.S. District Judge Jay Zainey in [New Orleans](#) to throw out the case, which Attorney General James "Buddy" Caldwell inherited from Foti. Zainey said he agreed with insurers that the suit failed to present evidence of a conspiracy among competing companies.

"So does this conclude this litigation?" Zainey asked after ruling.

"Yes," responded State Farm lawyer Wayne Lee.

Caldwell spokeswoman Tammi Arender Herring could not say whether the

ruling will be appealed. "We're going to have to confer with the attorneys to see where we go from here," she said.

Foti teamed up with private lawyers to file the case about a month after he finished third in an October 2007 primary, ending his re-election bid. The suit accused insurers of working together to fix prices, manipulate storm-damage estimates and low-ball claim payments.

"We felt these allegations were completely unfounded from the outset, and we're pleased the court today agreed with our position," said State Farm spokesman Phil Supple.

"Allstate agrees with the judge's ruling to dismiss the case," said company spokesman Mike Siemienas. "As we stated from the beginning, these are unfounded allegations."

Also named as defendants in the suit were Lafayette Insurance Co., USAA Casualty Insurance Co., Farmers Insurance Exchange, The Standard Fire Insurance Co., Xactware Solutions Inc., Marshall & Swift/Boeckh and McKinsey & Co.

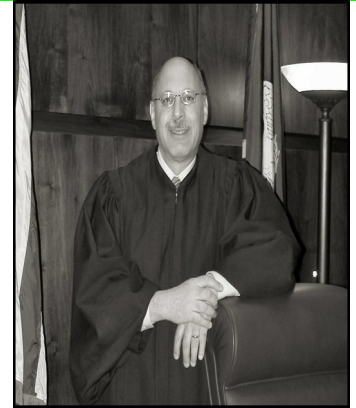
Foti's suit accused McKinsey & Co., a consulting firm, of advising insurers to "stop 'premium leakage' by undervaluing claims using the tactics of deny, delay, and defend."

"It runs much longer than simply [Hurricane Katrina](#)," Alex Watkins, a lawyer for Caldwell's office, told Zainey. "Hurricane Katrina was the focus of everyone because there were so many claims."

Lee, the State Farm lawyer, said the suit makes "simple breach-of-contract" allegations that don't support claims of a price-fixing scheme.

"There is no price-fixing. There is no antitrust conspiracy," Lee said.

In April, Zainey rejected a request by Caldwell's office to transfer the case to state court, where Foti originally filed it. The 5th U.S. Circuit Court of Appeals in New Orleans upheld that ruling.



U.S. District Judge Jay Zainey was appointed to the bench in 2002 by George W. Bush.

Figures.

Federal judges are appointed "for life".

POA