

The Policyholder Advocate



POATM

Policyholders of America

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"We Want Our Money Back", say taxpayers to insurers

Meanwhile, feds twiddle thumbs

POA

More than 20 months ago, POA President, Melinda Ballard, had multiple conversations with federal authorities, adjusters turned whistleblowers, policyholders and plaintiff attorneys about evidence that proved private insurance companies were illegally bilking the United States government

by dumping onto the National Flood Insurance Program ("NIFP" is an agency under Federal Emergency Management Agency or "FEMA"), payments to property owners that were truly the responsibility of the insurers. Ballard's intent was to help recoup billions of dollars that rightfully belong to the U.S. taxpayer.

Damage done by wind and driving rain IS covered under the homeowners policy; damage done by rising water because of a tidal surge,

for example, is covered only by a separate National Flood Insurance Program-issued "flood policy". The lines get blurred because NIFP does not have its own adjuster staff. Instead, NIFP relies solely on private insurance companies whose adjusters review the damage after a storm and make a determination if the damage was done by wind or flood. Clearly, it is in the best financial interest of the private insurance companies

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Special points of interest:

- ◆ **TAXPAYERS GET BILKED WHILE FEMA LETS THE PERPS OFF THE HOOK (MAYBE).**
- ◆ **IT'S BEEN TWO YEARS SINCE KATRINA BUT A NUMBER OF CASES ARE SETTING PRECEDENT FOR THE WAY INSURERS HANDLE STORMS.**
- ◆ **XACTIMATE (PRICING PROGRAM USED BY INSURERS) COMES UNDER FIRE.**
- ◆ **ALLSTATE'S PRICING PROVES FOUL PLAY**
- ◆ **IMPORTANT BILLS FILED IN WASHINGTON, DC.**

Hood files new State Farm lawsuit

by Anita Lee Sun Herald (6/11/07)

Mississippi Attorney General Jim Hood filed a new lawsuit today against State Farm Fire and Casualty Co., maintaining the insurer continues to disregard the rights of policyholders in Hurricane Katrina's aftermath.

"We filed this lawsuit in an effort to help the more than 30,000 Gulf Coast policyholders who have suffered for nearly two years because of State Farm's inaction," Hood said in a written news release. "We are at this point today because State Farm has intentionally and in bad faith acted with disregard toward the rights of its policyholders."

The lawsuit, filed in Hinds County Circuit Court, seeks regular and punitive damages, designed to punish bad behav-

ior. State Farm has denied any wrongdoing, but a spokesman said this morning that the company was unaware of Hood's planned afternoon news conference or the subject.

Hood dropped State Farm from a civil lawsuit he filed against insurers shortly after Hurricane Katrina and ended a criminal investigation of the company's claims handling practices. In exchange, State Farm agreed in January to review 35,000 policyholder claims and make settlement offers based on the terms of a proposed settlement agreement filed in U.S. District Court in Gulfport.

However, the agreement failed to win approval from U.S. District Court Judge L.T. Senter Jr. in Gulfport, who said it failed to protect policyholders' rights.

Mississippi Insurance Com-

missioner George Dale, who heads the state Insurance Department, then stepped into the breach and worked out a separate compromise with State Farm.

"The State Farm re-evaluation procedure through the Department of Insurance has only resulted in a little more than 300 new offers," Hood's news release said. "That does not comply with the terms we have with them in black and white. We have a state court order that they signed and then backed out on. If they will breach a clear agreement with a state, then this is further evidence that they have breached their own policy provisions with their insured on the Coast."

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