

Bob Hunter, director of insurance at the Consumer Federation of America, raised a stink about the RMS model when it was first unveiled a year ago and asked the National Association of Insurance Commissioners to reject its use. Hunter said that the scientific wheels are coming off of RMS and couldn't believe any state would approve it.

Insurance Rate Hike Threat Level: Red

According to Insurance Services Office, the U.S. property/casualty industry posted a \$31.2 billion net gain on underwriting for 2006 and overall industry profitability was the highest in 20 years.

Industry flacks credit the whopping gains to the lack of storms and "better underwriting", code terms for unjustifiable rate gouging and credit scoring.

As readers may recall, fresh off of Katrina in 2005 and armed with forecasts for an active 2006 hurricane season, insurers played the "We're going broke" card to get regulators to approve outlandish rate increases for 2006 - which ended up as gravy when not one hurricane hit the U.S.

Industry spokespeople con-

tinue to play up the threat of severe weather related losses. Take Genio Staranczak, Property Casualty Insurers Association of America's chief economist, for example. He says, "Experts are now predicting that the 2007 hurricane season will be far worse than average, and huge parts of the U.S. remain vulnerable to earthquakes that can strike at any time." This dude probably worked the terrorism threat color wheel for Homeland Security during the 2004 Presidential campaign.

We are not advocating that property owners not take the threat of storms seriously. We advocate setting aside some of their slush fund to cushion whatever increases the industry will seek for the coming year instead of spending their ill-gotten gains on lobbyists.

In related news, insurers in Louisiana knocked one out of the park when they got approval to use a controversial computer model to justify higher homeowners insurance rates.

The RMS 6 model by the California company, Risk Management Solutions, uses rolling **five year** periods instead of the long-held practice of using a **century** of historical storm data as the basis for projecting future hurricane risk. No surprise that insurers can justify higher insurance rate hikes by using a shorter time horizon for calculating storm risk in a period of heightened hurricane activity (especially one that includes Katrina).

Playing Politics: Are we there yet?

In a perfect world, gender, religion and/or race wouldn't matter. All presidential contenders would be judged based on their ideas and character.

But, we do not live in a perfect world. These things DO matter, at least according to polls taken by POA.

Other national polls query "likely voters" - that is, registered voters who've participated in the last one or two general elections. POA's polls cast a larger net and include a representative sample from the public who have not engaged in the political process in the past as well as those who've voted in the last general election.

POA's poll found that Americans are neither ready for President Hillary Clinton, President Barack Hussein Obama nor President Mitt Romney. Moreover, if the Democratic ticket included Clinton or Obama, a certain segment of our society who've never in the past exercised their right to vote would be compelled to register and vote AGAINST the Democratic ticket and most of those say they would vote a straight Republican ticket. This would ensure that Republicans retake control of both the House and Senate, not to mention the White House.

In simple terms, a Clinton and/or Obama ticket would dramatically hurt

all Democratic candidates: from the presidential candidate all the way down to local races.

The number of new voters who would be motivated to participate in the election because of a Clinton and/or Obama ticket and vote FOR either, is negligible, according to POA's poll.

So, who are these people who are so viscerally motivated against these Democratic presidential contenders? More than 75% of them were white males age 34-54 who consider themselves moderates and/or independents.

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