

The Policyholder Advocate



POATM

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Guy who gets it right says brace for 4-5 category 3+ storms

POA



Dr. Lian Xie gets it right. He predicts 4-5 Cat. 3+ hurricanes in 2007.

For the most part, hurricane forecasters blew it last year. The only hurricane forecaster that was correct was Dr. Lian Xie, a professor at North Carolina State University.

Xie's methodology evaluates data from the last 100 years on Atlantic Ocean hurricane positions and intensity, sea surface temperatures and weather patterns, to predict the number of storms and where they will make landfall.

According to Xie, the 2007 season, which begins on June 1 and ends on November 30, will be an active one. He predicts 12-14 named storms forming in the Atlantic Ocean, the Gulf of Mexico and the Caribbean Sea. Of those named storms, 8-9 are likely to become hurricanes, 4-5 of which have the potential to become Category 3 or higher storms.

Xie believes that 2-3 hurricanes will form in the Gulf of Mexico with 1-2 making landfall there. Xie says the southeastern coast of the U.S. will see between 1-3 named storms, with 1-2 hurricanes making landfall.

For a primer on what to do to protect your home, visit: http://www.policyholdersofamerica.org/newsletter_Hurricane_Season_2006.htm

Special points of interest:

- **HURRICANES: WHILE THE EXPERTS DISAGREE ON THE NUMBER OF HURRICANES WE CAN EXPECT THIS SEASON, THE ONE WHO GETS IT RIGHT SAYS THERE WILL BE 4-5 CATEGORY 3 OR HIGHER HURRICANES.**
- **ALLSTATE TAKES A LICKING AND KEEPS ON TRICKING.**
- **INSURANCE IS THE NUMBER ONE REASON POST-KATRINA RECOVERY IS AT A STALE-MATE.**
- **PLAYING POLITICS: BETTING ON CLINTON AND/OR OBAMA IS BAD FOR THE ENTIRE DEMOCRATIC TICKET.**
- **NATIONAL CATASTROPHIC PROPOSALS ARE DEBATED IN WASHINGTON, DC**
- **BS STORM MODEL ALLOWS INSURERS TO JACK UP RATES, AGAIN.**
- **LOTS HAPPENING AT THE STATE LEVEL.**
- **NEW FLOOD MAPS MAY ERODE VALUES.**

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Insurance: Allstate verdict a telling one

Clarion Ledger

A federal jury's \$2.8 million judgment against Allstate Insurance Co. this week should be a wake-up call to the industry.

The award was given by a U.S. District Court jury in New Orleans which decided Monday that Allstate did not pay Robert Weiss of Slidell, La., enough money to cover wind damage to his home from Hurricane Katrina.

Allstate had claimed that most of the damage was due to storm surge, or flooding not covered under its wind insurance. But the jury concluded that Allstate owes Weiss \$561,600 for wind damage, plus \$2.25 million in penalties for not paying quickly enough.

This is the second major defeat in court for an in-

urance company claiming that wind-blown water was not covered under hurricane policies.

A Gulfport jury in January awarded \$2.5 million in punitive damages against State Farm Fire and Casualty Co. in a wind vs. water dispute.

WIND VS. WATER

In this wind vs. water case, Allstate's initial finding of damage due to Katrina's wind was later changed to being due to water, not covered by the policy.

Although that award was later reduced, and Allstate says it will appeal, this should send a message: **Juries will punish insurance companies seen to be seeking to evade their obligations.**

In this case, a finding of wind damage by an onsite inspector was later changed to being due to water.

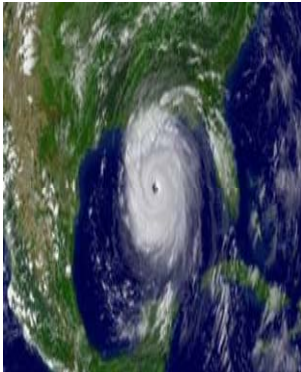
Congress is reviewing dozens of complaints that insurance companies pressured engineers to attribute destruction to flooding, which 4th District U.S. Rep. Gene Taylor has called **"a fraud against the U.S. taxpayers."**

If private insurance won't provide meaningful protection, the government must step in for catastrophic coverage.

Allstate's CEO said he doesn't expect to make changes in the way the company handles catastrophe claims despite the company badly losing its first federal lawsuit over a Hurricane Katrina.

Very Active 2007 Hurricane Season Predicted

Science Daily



NOAA satellite image of Hurricane Katrina taken Aug. 28, 2005, as the storm's outer bands lashed the Gulf Coast of the United States a day before making landfall and leaving a path of destruction in its wake.

There's a 74% probability that a major hurricane will make landfall along the U.S. coast this hurricane season.

The U.S. Atlantic basin will likely experience a very active hurricane season, the Colorado State University forecast team announced today, increasing its earlier prediction for the 2007 hurricane season.

The team's forecast now anticipates 17 named storms forming in the Atlantic basin between June 1 and Nov. 30. Nine of the 17 storms are predicted to become hurricanes, and of those nine, five are expected to develop into intense or major hurricanes (Saffir/Simpson category 3-4-5) with sustained winds of 111 mph or greater.

No hurricanes made landfall along the U.S. coastline in 2006. The 2006 season witnessed a total of 10 named storms, 5 hurricanes and two major hurricanes. The 2005 season, considered unusual by the Colorado State forecast team, witnessed 27 named storms, 15 hurricanes and seven intense hurricanes. Long-term averages are 9.6 named storms, 5.9 hurricanes and 2.3 intense hurricanes per year.

"We are calling for a very active hurricane season this year, but not as active as the 2004 and 2005 seasons," said Phil Klotzbach of the Colorado State hurricane forecast team. "Based on our latest forecast, the probability of a major hurricane making landfall along the U.S. coastline is 74 percent compared with the last-century average of 52 percent.

"In December and January, we had a weak to moderate El Niño event in the tropical Pacific Ocean. When you have El Niño conditions during the hurricane season, it increases vertical wind shear across the tropical Atlantic and typically results in a weaker tropical cyclone season," Klotzbach said. "However, we've seen El Niño conditions dissipate quite rapidly late this winter, so we do not think that's going to be an inhibiting factor this year. Also, we have warm Atlantic sea surface temperatures this year which we've seen just about every year since 1995."

The hurricane forecast team predicts tropical cyclone activity in 2007 will be 185 percent of the average season. By comparison, 2005 witnessed tropical cyclone activity that was about 275 percent of the average season.

The hurricane forecast team reiterated its probabilities for a major hurricane making landfall on U.S.

soil:

- A 74 percent chance that at least one major hurricane will make landfall on the U.S. coastline in 2007 (the long-term average probability is 52 percent).

- A 50 percent chance that a major hurricane will make landfall on the U.S. East Coast, including the Florida Peninsula (the long-term average is 31 percent)

- A 49 percent chance that a major hurricane will make landfall on the Gulf Coast from the Florida Panhandle west to Brownsville (the long-term average is 30 percent).

The team also predicted above-average major hurricane landfall risk in the Caribbean.

"We were quite fortunate last year in that we had no hurricane landfalls," Klotzbach said. "The 2006 season was only the 12th year since 1945 that the United States witnessed no hurricane landfalls. Since then, we have had only two consecutive-year periods where there were no hurricane landfalls - 1981-1982 and 2000-2001."

The Colorado State hurricane forecast team has cautioned against reading too much into the hurricane seasons of 2004 and 2005 when Florida and the Gulf Coast were ravaged by four landfalling hurricanes each year. Hurricanes Charley, Frances, Ivan and Jeanne caused devastating damage in 2004 followed by Dennis, Katrina, Rita and Wilma in 2005.

"The activity of these two years was unusual, but within the natural bounds of hurricane variation," said William Gray, who began forecasting hurricane seasons at Colorado State 24 years ago. "Following the two very active seasons of 2004 and 2005, 2006 experienced slightly below-average activity with no landfalling hurricanes.

"We've had an upturn of major storms since 1995," Gray said. "We think this upturn of major storms will continue for another 15 or 20 years."

Probabilities of tropical storm-force, hurricane-force and intense hurricane-force winds occurring at specific locations along the U.S. East and Gulf Coasts within a variety of time periods are listed on the forecast team's Landfall Probability

Web site. The site provides U.S. landfall probabilities for 11 regions, 55 sub-regions and 205 individual counties along the U.S. coastline from Brownsville, Texas, to Eastport, Maine. The Web site, available to the public at <http://www.e-transit.org/hurricane>, is the first publicly accessible Internet tool that adjusts landfall probabilities for regions, sub-regions and counties based on the current climate and its projected effects on the upcoming hurricane season. Klotzbach and Gray update the site regularly with assistance from the GeoGraphics Laboratory at Bridgewater State College in Massachusetts.

The hurricane team's forecasts are based on the premise that global oceanic and atmospheric conditions - such as El Niño, sea surface temperatures and sea level pressures - that preceded active or inactive hurricane seasons in the past provide meaningful information about similar trends in future seasons.

For 2007, Gray and the hurricane forecast team expect continued warm tropical and north Atlantic sea-surface temperatures, prevalent in most years since 1995, as well as neutral or weak La Niña conditions - a recipe for greatly enhanced Atlantic basin hurricane activity. These factors are similar to conditions that occurred during the 1952, 1964, 1966, 1995 and 2003 seasons. The average of these five seasons had well above-average activity, and Klotzbach and Gray predict the 2007 season will have activity in line with the average of these five years.

Gray does not attribute changes in recent and projected Atlantic hurricane activity to human-induced global warming.

"Although global surface temperatures have increased over the last century and over the last 30 years, there is no reliable data available to indicate increased hurricane frequency or intensity in any of the globe's seven tropical cyclone basins, except for the Atlantic over the past 12 years," Gray said. "Meteorologists who study tropical cyclones have no valid physical theory as to why hurricane frequency or intensity would necessarily be altered significantly by small amounts of global mean temperature change."