

AG Hood says insurance case headed back to state court

SHELIA BYRD, Associated Press

JACKSON, Miss. - Mississippi's lawsuit over insurance companies' refusal to pay certain Hurricane Katrina claims is back in state court.

Attorney General Jim Hood on Monday said a decision could come within weeks now that the case has been remanded from federal court to Hinds County Chancery Court, where it was originally filed.

"We never anticipated they would be successful in dragging this out for six months," Hood said during a news conference at his office.

Hood's lawsuit contends a standard homeowner's policy should cover hurricane damage, whether the loss is from wind or wind-driven water, a storm surge.

Insurance companies said homeowners should have bought additional flood protection.

If Hood's suit is successful, it could mean billions of dollars to the industry and result in a reduction in the avail-

ability of homeowners' policies and higher premiums, said Robert Hartwig, chief economist and senior vice president of the Insurance Information Institute, an industry trade association.

Hartwig said language pertaining to exclusions in the homeowners' policies is ironclad as evidenced by the fact that more than 40,000 Mississippians had separate flood coverage under the National Flood Insurance Program in 2005.

"It's a very telling fact that not a single regulator of insurance in the entire United States nor the NFIP supports Mr. Hood's position," Hartwig said Monday.

Hood has estimated the storm surge damage could be from \$2 billion to \$4 billion. He said the insurance industry was sued over the same issue after Hurricane Camille struck the Gulf Coast in 1969.

"Yet they did not change their policies at all,"

Hood said. "They kept them the same knowing that they have problems and have begun to make those changes after the fact."

Hood said immediately after Katrina, companies began giving customers a form that included the storm surge provision.

Mike Siemienas, a spokesman for Allstate, said homeowners' policies do not cover flood damage.

"We still stand firm that those are claims that are covered under the National Flood Insurance Program, and it's been well-known and the policy language has been approved by the Mississippi Department of Insurance that we use," he said.

Hood also said his office was investigating whether insurance companies were denying claims from homeowners who were not in the storm surge area.

Nearly 220,000 Katrina-related insurance claims have been

filed in the state's six coastal counties, according to the state Department of Insurance.



Mississippi Attorney General, Jim Hood. Smart AND Easy on the eyes!

WHY SHOULD WE ALL CARE WHAT HAPPENS TO VICTIMS OF RECENT HURRICANES?

Be it a hurricane claim, a tornado claim, a plumbing leak., earthquake, an auto accident or a claim submitted on your health insurance policy, if insurance companies are allowed to breach their policies and deny or lowball payment, we all suffer because it will, one day soon, happen to all of us.