



Policyholders of America

888-648-8823

Media Contact:

Austin Tighe
Feazell, Rosenthal & Watson
(512) 477-2275
or
Melinda Ballard
Policyholders of America
(512) 347-8779

**MAJOR INSURER AND SPIN DOCTOR SUED;
TEXAS HOMEOWNERS COULD BE BIG BENEFACTORS**

Austin, TX (November 6, 2002) – Today, homeowner advocate, Melinda Ballard, continued her fight on behalf of Texas homeowners by standing up for one of her most important assets – her reputation. Ballard filed a lawsuit today in Travis County District Court against Farmers Insurance (“Farmers”) and its paid spokesman for falsely accusing her of committing insurance fraud in connection with water damage claims filed on her home in Dripping Springs, Texas. In 2001, Ballard took the insurance giant to task and a Travis County jury found Farmers engaged in deceptive and misleading conduct and unconscionable fraudulent acts and practices in connection with its handling of Ballard’s water damage claims.

Any resulting proceeds paid to Ballard will be donated to the Texas Department of Insurance for the purposes of establishing a voluntary and independent panel to review homeowners disputes. Such a panel is in place for disputed health claims but no such panel exists for homeowners.

In an article carried by major Texas newspapers including the Austin American Statesman, Bill Miller, a paid spokesman for Farmers and principal in Austin-based Hillco Partners LLC, stated that Ballard’s claims against Farmers were “fraudulent”. That defamatory statement is, in essence, an accusation that Ballard committed a crime in connection with the insurance claims she made under the homeowners policy sold to her by Farmers. Ballard believes that Farmers and Miller caused the publication of this defamatory statement in order to distract from the bad publicity Farmers continues to receive as a result of its own conduct in Texas – which one jury has found to be fraudulent and in bad faith. Notably, the same jury found that Ballard had made no misrepresentations and in fact had done nothing wrong.

Continued.....

Page Two

Ballard is the head of Policyholders of America, a nonprofit association dedicated to eradicating bad faith and fraud committed against policyholders by insurance companies. The association currently has more than 73,000 Texas families in its membership, many of whom have been victimized by insurance companies.

Policyholders of America has several Bills that it will introduce to Texas legislators in the next session beginning in January, 2003. One Bill, an alternative dispute resolution mechanism (also known as "tort reform"), establishes a panel at the Texas Department of Insurance to hear disputes from homeowners who otherwise cannot find legal representation. Funding will be required for this panel to be put into effect and given the State's deficit, the establishment of this independent panel may be delayed unless funding comes from private sources. For this reason, Ballard will donate any monies received by her from this suit to the Texas Department of Insurance.

Ballard is represented in the suit by Vic Feazell of Feazell, Rosenthal & Watson, P.C. Feazell won the largest libel verdict of its kind in U.S. history when a jury handed down a \$58 million verdict against Dallas television station Channel 8 and BELO Broadcasting Co. "Apparently Farmers has not learned its lesson," said Feazell. "A Texas jury found that Farmers defrauded Melinda, and Farmers reacts by turning around and accusing her of insurance fraud, which is a felony in Texas. It's time to tell Farmers yet again that it can't treat its customers this way. We're confident a jury will send that exact message."

Feazell intends to move for an expedited trial setting and hopes to begin jury selection early next year.

Says Ballard, "The sooner the better. Many homeowners are falling through the cracks and the Texas Department of Insurance needs to establish this alternative dispute resolution mechanism to help the average Texas homeowner who does not have the financial resources to force bad boy insurance companies to honor their policies."

###

Editor Note: The pleading filed in this case can be downloaded from Policyholders of America's website. The direct link is:

<http://www.policyholdersofamerica.org/petition11602.pdf>