Justice for the innocently underinsured, Congrats to SB&E and AKO, Optional Federal Charter: A Bad Idea

A San Bernardino County jury recently delivered justice for **Bob Keller**, a man who lost his home in a 2003 wildfire then found himself grossly underinsured. Hats off to **Ricardo Echevarria**, a partner with UP Sponsors **Shernoff, Bidart, Darras & Echevarria**. Ricardo fought an expensive five-year battle against three law firms working for State Farm. Congratulations to Bob and to Ricardo on a well-deserved victory.

Our message to State Farm: Pay the verdict. Don't appeal. Let a family that lost their home get some peace. I'm hopeful this outcome will fortify the many State Farm insureds UP is helping in Southern CA who lost homes in wildfires over the past three years. They, like most disaster victims, found themselves way underinsured and learned, to their shock, that the law currently allows agents and insurers to break promises and escape liability in court. Although Keller won a negligence finding against State Farm, the judge threw out all the bad faith parts of the case. This allowed the company to avoid covering Keller's attorneys' fees and escape a fine for misleading him on the extent of the financial security they'd sold him. Still, the result is a very important win.

May calm heads prevail . . . Hearings are underway in Washington on whether the financial sector meltdown warrants a new federal system of regulating insurance. UP has long called for more effective insurance regulation to protect policyholders against unfair sales and claim practices, but we don't need a whole new system. Replacing state-based regulation is not the answer. Yes we need stricter oversight of the investment/insurance financial products that brought certain AIG units down, but it would be crazy to scrap the current system. Because there has been no real campaign finance reform, insurance lobbyists would design the new system, and chaos would reign.

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NO on federal insurance regulation and especially NO on the "Optional Federal Charter." Life insurers and others have been pushing for OFC for many years, and unfortunately, the current crisis gave them just the political momentum they needed to advance their BAD IDEA. Policyholder attorney/champion **Chip Merlin** and his team at the **Merlin Law Group**, long time great friends to UP, are working with me and UP to educate lawmakers on why enacting OFC and replacing the state insurance regulatory system should not happen. Visit http://www.uphelp.org to follow political updates on these issues.

UP Program Coordinator **Emily Cabral** has been promoted to help run our Roadmap to Preparedness program and just returned from a Fire Safe Council conference up in Lake Tahoe.

Congratulations to UP Sponsors **Anderson, Kill & Olick** for a hard won major victory on behalf of the State of California in a longstanding dispute over coverage for an environmental cleanup. The team included AKO partners **Robert M. Horkovich, Edward J. Stein, Robert Y. Chung and Cort T. Malone** (see Amicus Update in this issue).

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