

## **MS Insurance Commissioner Unresponsive to Consumers, says UP**

<http://www.sunherald.com/199/story/950985.html>

Mississippi Insurance Commissioner Mike Chaney needs to do a better job for consumers, two national organizations have concluded, but Chaney said Wednesday night that he has “a full platter.”

The Consumer Federation of America says the Insurance Department’s Internet site does an inadequate job of giving consumers information that would help them save money on insurance, find the best home and auto policies and avoid companies that employ unfair claims practices.

J. Robert Hunter, CFA’s director of insurance, rated Mississippi’s site, along with those in 17 other states, as inadequate. Only six states have sites rated excellent, but 27 managed good or fair ratings.

Chaney, in office less than a year, said his department has studied other Internet sites and hopes to put together rate comparisons for consumers in Mississippi. But Chaney said his top priority right now is to secure state funds for a program to bring down insurance rates through construction of stronger homes.

Chaney also acknowledged that he has not responded to a Long Beach policyholder’s repeated e-mails calling for a committee to study improving policyholders’ rights and for numbers that would show the average amount insurance companies paid on Katrina claims.

Chaney said his department is working to strengthen its regulatory bill of rights and has no control over state legislation Kevin Buckel has pushed unsuccessfully for the last two sessions. One addition to the departments policyholder rights would be a court opinion that says insurance companies have the burden to prove a policy

exclusion caused a loss in order to deny coverage.

Buckel and the Sun Herald have been unsuccessful in getting updated numbers on how much insurance companies paid in Katrina claims. Deputy Commissioner Lee Harrell said the department stopped collecting the information a year or so ago.

In states such as California and Florida, policyholders can go to department Web sites to find out how insurance companies performed after earthquakes and hurricanes.

Buckel enlisted the United Policyholders of America to write Chaney a letter one month ago, asking the commissioner to answer Buckel's questions. Amy Bach, executive director of the California-based group, said Chaney has not responded. Chaney said he never saw Bach's letter.

Bach said residents and the business community need to push for consumer friendly regulations and legislation.

"I think your citizens are going to have to be a lot louder," she said. "You need a lot more Kevins out there making noise. And you need influential people in the business community. They have to speak out loudly."

Tuesday, October 14, 2008  
Honorable Michael Chaney  
Mississippi Insurance Department  
1001 Woolfolk State Office Building  
501 N. West St.  
Jackson, MS 39201

Dear Commissioner Chaney:

I have not yet had the pleasure of meeting you at the proceedings of the National Association of Insurance Commissioners. I attend the quarterly NAIC meetings as a consumer representative, although I will not be at the upcoming Winter meeting in Houston. I have enjoyed

visiting with the Commissioners from your neighboring states of Louisiana and Florida at recent meetings to discuss issues of shared concern regarding catastrophe insurance, state run pools, price spikes and availability shortages.

I'm writing to introduce you to United Policyholders and ask for your assistance. UP is a national insurance consumer organization that is dedicated to educating the public on insurance issues and policyholders' interests, and to helping solve marketplace and claim-related problems. Our organization is a resource for disaster victims and we strive to make constructive contributions to the adoption of laws that relate to insurance matters.

United Policyholders provided support and assistance to the citizens of Mississippi and particularly to employees of the Chevron Corporation in the aftermath of Hurricane Katrina. Representatives of our organization were saddened by the number of victims whose claims were being unfairly denied but who told us they believed their elected representatives were "in the pocket" of insurance companies and would not help them. So many homeowners who paid good money for coverage and claim service were forced to turn for help to lawyers instead of to their elected representatives.

In the course of that work we connected with a gentleman by the name of Kevin Buckel who is an outstanding example of a public-spirited citizen volunteering his time to help future disaster victims and strengthen the law to better protect Mississippians from unfair treatment by insurance companies and adjusters.

As you know, Mr. Buckel has been diligently pursuing legal reforms in the state legislature as an unpaid grass roots citizen lobbyist. I have the utmost admiration for Mr. Buckel. I understand you recently heard him testify at a hearing, but that you have not responded to the following specific questions he has posed:

1. Will you form a committee to study and identify legislative reforms that are needed to strengthen legal protections for policyholders in your state?

2. Do you dispute or agree with the fact that according to information published by the Sun Herald and the Insurance Information Institute, the average amount insurers paid to homeowners on Katrina claims was \$15,428. 350,000 claims settled, \$5.4 Billion Paid on 65,380 homes destroyed).

Certainly if #2 is correct, a public hearing or fact-finding proceeding is in order and overdue. Question #1 is entirely reasonable and seems entirely warranted.

We believe these are important and very reasonable questions that deserve a detailed, honest response from your office. So, we are writing to ask that you provide Mr. Buckel with the answers he has asked for.

Sincerely,

Amy Bach

Executive Director