

Tips for Sandy Victims on Mediating Insurance Disputes

New Programs Announced in New York & New Jersey to Help Resolve Claim Disputes; Know What to Expect and Be Ready to Negotiate, Consumer Group Advises

SAN FRANCISCO February 28, 2013 – With thousands of Superstorm Sandy victims frustrated by the slow process of settling their insurance claims, new mediation programs were announced this week by New Jersey Governor Chris Christie and New York Governor Andrew Cuomo to speed the resolution of disputes. Insurance consumer group United Policyholders is advising Sandy victims to take advantage of these programs, but make sure to prepare and go into the process with realistic expectations.

“Mediation can be a fast and cost effective way of settling an insurance dispute and getting money into the hands of people who need to pay for repairs. But particularly with insurance claims, consumers need to do their homework first. That includes reading about and understanding the mediation process and their rights, having evidence to substantiate their claim and being ready to negotiate,” said Amy Bach, Executive Director of United Policyholders (UP) and a nationally recognized expert on disaster-related insurance issues who was named one of Money Magazine’s 2012 Heroes.

Insurance policies and laws are complex, and an individual consumer is not on a level playing field when they’re sitting across the table from a company adjuster or lawyer with years of experience and a Mediator who wants the parties to settle. Bach advises consumers to take advantage of UP’s free “Policyholders Guide to Mediation,” which contains critical tips for understanding and preparing for mediation. The guide is available in both English and Spanish on UP’s website: www.uphelp.org/mediation
UP tips include:

Make sure the mediator has no financial stake in the outcome

Request copies of all claim-related documents from your insurer prior to the mediation

Be prepared to negotiate but don’t be intimidated – you are not obligated to accept a settlement

Remember that mediation is nonbinding and should not affect your legal rights, including your right to use the civil justice system.

State-sponsored mediation programs have become increasingly popular in the aftermath of mass



disasters, including Hurricane Katrina and the Northridge Earthquake. Shortly after Superstorm Sandy, UP sent all 50 state insurance regulators a copy of a report titled “Best Practices for Post-Disaster Insurance Claim Mediation Programs” that contains suggestions for creating fair/equitable programs, as well as a draft of an evaluation form for them to use to monitor success of the program.

“UP is hearing every day from Sandy victims who are desperate for help recovering the full insurance benefits they need and are entitled to. We are pleased to see Governors Cuomo and Christie take action to facilitate mediation. We hope to hear lots of success stories from people who use the programs in New York and New Jersey”, Bach said.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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