

UP mediation research wins award

After Hurricane Katrina a number of states rushed to set up insurance claim mediation programs. We offered suggestions to those that were interested in our input, then published a Policyholders Guide to Mediation to help consumers get better results. Policyholders who have used state-sponsored mediation have reported to UP that they were disappointed by the experience, felt intimidated into accepting a lowball offer and/or that it was a waste of time because the insurer didn't take the process seriously. In 2010 we launched a research project to gather data and identify the essential consumer protection features that make mediation work well for policyholders. Hastings Law student Anne Scott began the project, then Rutgers School of Law at Camden Professor Jay Feinman joined and recruited students Abe Tran and Oliver Barry. Abe Tran completed a 2012 UP report titled; "Consumer Protection Standards for Post-Disaster Insurance Mediation" and was awarded The First Congressional District of New Jersey Award for Scholarship in the Law. This award is presented to a student whose outstanding legal paper addresses an important issue in government, politics or society that is impacting, or has had a profound impact historically on our country. We commend Mr. Tran on this honor and are grateful for his volunteer service to United Policyholders. UP is distributing the report to insurance regulators throughout the United States. Under the right conditions and with safeguards, it is possible for insurance disputes to be resolved fairly via mediation instead of a court or jury trial. But just as insurance is not a level playing field, neither is mediation. Company personnel are repeat "institutional users" with an advantage of being familiar with the mediation process, terminology, and the insurance claim game in general. Consumers generally are first time users at the mercy of the mediator and highly vulnerable to being discouraged about their chances of winning a lawsuit and pressured into accepting a low offer.

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