

Daniel Stump - Re: Insurance Reform Committee Tomorrow

From: patricia foster <wpfoster2000@yahoo.com>
To: <senjpageorge@senate.michigan.gov>
Date: 7/14/2009 10:35 PM
Subject: Re: Insurance Reform Committee Tomorrow
CC: patricia foster <wpfoster2000@yahoo.com>

Hi Kristen:

There is nothing I could say in just 5 minutes. This subject is much too complex. The main problem is that consumers have no leverage against insurance companies. We need the ability to sue them for non performance.

Why should they enjoy special protection when other sectors of the market do not? This privilege is totally abused. The consumer is totally at the mercy of the adjuster who works for the insurance company. They make up the rules as they go. They are slow to pay, they chisel and under pay, and if you don't like it they will simply hold up payment or not pay you at all. Where is the penalty for cheating? There is no state regulation that is meaningful. Insurance companies don't necessarily even perform to their own policy language. Insurance policies are often written very vague allowing their adjusters to have way too much ability to make their own rules. The claims process needs to be standardized so that adjusters have much less freedom. There are no standard costs for renovation. Construction companies may use one set of costs, the insurance companies make up their own, it's a free for all.

Another serious problem is that my policy states that if I disagree with my insurance company we go to mediation. That means that they have no penalty for trying to cheat. The worst that can happen is that they pay what they owe in the first place. The consumer has to pay for their own adjuster. For a \$5000 claim the consumer can't afford to collect.

I am in the middle of my second major claim in a little over three years and I would love to be able to personally meet with the committee chair about consumer protection. Will he meet with me? Who is he?

My first claim is three and a half years old and Farm Bureau owes me \$17000 and I am being ignored. By their records they owe me \$12000. They broke off contact 6 months ago. They will never contact me if I don't force them but should I have too? With regard to my second claim I am in the chiseling stage with the adjuster. If the chair is serious about reform he should be willing to meet with me. Sorry I can't make it on such short notice. By 9:00 am I could not find the right building.

I think that the state insurance commission needs the teeth to be able to fine insurance companies and to enforce. Nothing else is going to work. There needs to be standardized costs or a standard method of arriving at costs. Any claim not settled in three years needs to automatically come before the board. etc..... If an insurance company has too many complaints then perhaps they should not be allowed to do business in Michigan. After each claim is settled let's have the consumer report their satisfaction and make that information public.

If you want to pass this e-mail along to the chair that would be appreciated.

Thanks,

Bill Foster, 248-770-7785 Cell

--- On Tue, 7/14/09, senjpappageorge@senate.michigan.gov
<senjpappageorge@senate.michigan.gov> wrote:

From: senjpappageorge@senate.michigan.gov <senjpappageorge@senate.michigan.gov>
Subject: Insurance Reform Committee Tomorrow
To: wpfoster2000@yahoo.com
Date: Tuesday, July 14, 2009, 5:19 PM

Dear Bill:

It was nice meeting with you last month to discuss insurance reform Thank you for taking the time to drive to Lansing to make your experiences known.

I want to draw your attention to some information that just came across my desk. The House Committee on Insurance has scheduled a committee hearing to discuss insurance reform. Up for discussion are a number of bills relating to insurance practices and consumer protections.

If your schedule permits, you may wish to attend the committee hearing in person to either share your story (testimony is typically kept to about 5 minutes), provide a written statement or just to observe.

The meeting is scheduled for tomorrow (Wednesday) at 9 a.m. Complete details about the committee meeting and the bills that are up for discussion can be accessed [here](#). If you cannot attend the meeting but would like to have written testimony sent to the committee chair, you can e-mail that to me by 8:30 a.m. and I will make sure the committee members receive it. Otherwise, I can just keep you posted as to the status of the legislation being considered.

I am sorry for the short notice but this information just became available to me. Feel free to contact me with any questions.

Sincerely,

Kristen Brown
Legislative Director
Senator John Pappageorge
517-373-2523