

The Policyholder Advocate



Policyholders of America

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Prostitution, drugs, payola, and more in the insurance industry



We will get to the juicy stuff in a minute. It's important that we first set the stage.

Let's face it, insurance and coverage issues are a big snooze. Most folks don't read their policies and when they do, their eyes glaze over because of all of the

legal mumbo-jumbo which actually is an intentional ploy to bore, daze and confuse the reader.

During the last year or so, State Farm execs, and their pimps (lawyers and lobbyists) have been busy making stealth policy language changes, hoping policyholders don't notice.

Somehow, they managed to get insurance commissioners in 48 out of 50 states to approve new language that basically says that if 99% of the damage is caused by a covered peril and 1% of the damage is caused by a non-covered peril, State Farm owes NOTHING. This is the case even if the non-covered damage occurred hours later.

If you aren't a State Farm policyholder, the Insurance Services Offices ("ISO") — the group that files policy language and forms for many of the other insurers — has its own version of this new policy language.

State insurance departments typically must approve any change in policy language just as they must approve rate hikes filed by carriers. Therefore, this new language inserted in your policy was given two thumbs up from your insurance commissioner.

Of course, the insurance policy is nothing more than a contract between you and the insurer. If you think that the judicial system will consider it unfair, forget it. Recent U.S. appeals court rulings have, at worst, reversed coverage, or at best, jeopardized coverage for homeowners in all states, save California and Washington.

Get out your policy so you can determine if you've been sold down the river by your insurance commissioner who's rendered your pricey policy completely worthless, particularly in states subject to hurricanes, tornados, blizzards, and/or severe weather of any kind.

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MOLD DOUBLE TALK

Farmers in corn producing states have been warned by the USDA that their crops could contain dangerous mycotoxins because of the high moisture at harvest time.

Aflatoxins, the mycotoxin most commonly linked to mold found in corn production, has been identified and farmers are being urged to test crops and elevators.

When toxin levels are high, and the corn cannot be sold., it becomes an "insurable event" if the corn is not already in the bin.

Farmers who suspect aflatoxin contamination are being urged to contact their crop insurance agent before finishing the harvest.

Depending on the level of toxicity, some grain can be used in animal feed but tighter restrictions prevail when it comes to human consumption.

This begs the question: why are aflatoxins — the mycotoxin closely associated with certain species of *Aspergillus* — harmful, even potentially cancer-causing in corn according to the USDA and credible agencies and researchers, but "A-okay" if in your home, office or school according to carriers writing homeowners insurance?

It all has to do with the method of entry into the body. Insurers in disputes with policyholders who've filed homeowners insurance claims, rely on research that shows consumption can be deadly but reject any research that shows that absorption (through skin) and/or inhalation (breathing it) can be harmful. Obviously, in buildings, the method of entry is inhalation and absorption.



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Prostitution ...

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The Drug of Choice

The insurers drug of choice is "ACC", also known as the Anti-Concurrent Causation clause.

It can be found just before the "exclusion" section of the policy and a variety of clauses, some worse than others, have been approved.

If your policy was issued by State Farm, there's a good chance that prostitution occurred at your expense if the policy states:

We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such losses regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or wide-spread damage, arises from natural or external

forces, or occurs as a result of any combination of these.

In the typical State Farm policy, that clause is followed by a number of exclusions. Unlike many other policies, State Farm's exclusions are not limited to "perils," but include "events" that occur along with causes of loss.

Let's say you live on or near the coast. This means if high winds (a covered loss) caused 90% of the damage sustained and 10% of the damage was caused by rising water (not covered), State Farm can and will deny ALL coverage. Likewise, when a broken water pipe under a home (a covered loss) washes away soil beneath the foundation (not covered if the policy contains an "earth movement" exclusion), State Farm can and will deny ALL coverage.

Given what you now know, why would anyone actually pay good money for a State Farm policy?

Many other policies contain less onerous language that can and will enable the insurer to fight coverage and hang the homeowner up in a legal battle over "cause" or "effect". It goes like this:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes con-currently or in any sequence to the loss.

A list of exclusions follows this clause.

What it means is this: your claim will most likely be denied if anything on the "excluded" list directly or indirectly causes damage.

So, what can you do about it? Buy a policy that does not contain this language, or self insure.

In states where no better options exist because of an insurance shortage, raise hell with your insurance commissioner, legislators and Governor if he/she appointed the commissioner. Vote anyone who had a hand in this out of office. Or, in insurance terms:

Do not cast a vote for any person or persons who directly or indirectly contribute to the devaluation of an insurance policy regardless if (a) said person or persons are illiterate and could

not read the language they directly or indirectly approved; or (b) said person or persons received compensation in the form of a bribe, promises of future wealth, promises of future employment, or campaign contributions; or (c) did nothing to alert policyholders about the impending language change so as to derail the approval of such language.

The "Smell Test"

The reason most insurance commissioners approve insurer-friendly policy language and rate hikes is because the insurance commissioners typically end up working for insurance companies or insurance trade associations after they leave the state insurance departments and don't want to bite the hand that will soon be feeding them.

What's more, POA investigation of the value of homes and cars owned by many insurance commissioners is far greater than their annual salaries would allow. Perhaps their salaries are being supplemented with payola?

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