

10 WORST INSURERS IN AMERICA FOR HOMEOWNER COVERAGE (2008)



POA's ranking of the 10 worst insurers for 2008 is based on claims handling and disproportionate premium hike complaints within our databases.

The methodology used by POA for the purpose of ranking is different from the rankings done by others because we factor in the total number of policies written by each carrier as opposed to simply the number of "claims" – a number reported by the insurer. This is important distinction for a variety of reasons, not the least of which is this:

If an insurer denies a legitimate claim, it would not be reported by the insurer as a "claim" and would skew scores to the benefit of insurers who tend to deny a large number of legitimate claims. For this reason, POA uses the total number of policies written by the insurer as a basis from which we score then we use information from insurance industry sources to better determine the true number of claims made by policyholders. That number varies year-to-year based on weather-related events. But, only a small percentage of policyholders actually file claims.

1. State Farm: The worst. A disproportionate number of complaints involving claims handling, wrongful denials and lowballing tactics have been recorded. State Farm also scored very poorly on value for the premium dollar. If we were GIVEN a State Farm policy, we wouldn't take it.
2. Allstate: Close behind State Farm for all of the same reasons. Run like hell or you too will find yourself footing the bill for what the policy says it covers and paying way too much for way too little.
3. Nationwide: A distant third behind Allstate, Nationwide has chalked up a disproportionate number of complaints about its claims handling. And rate hikes.
4. Safeco/Liberty Mutual: When Liberty Mutual bought Safeco in 2008, they bought the fourth place on this list of no-good-nicks. Had the two insurance companies remained separate, Liberty Mutual would have been number 8.
5. Mercury: Small in comparison but Mercury has a terrible claims handling record according to POA's data sources.
6. USAA: A real disappointment considering USAA had a terrific reputation but their claims handling has been on the decline for more than two decades.
7. Erie: Erie is regional but has earned its score with pitiful claims handling.
8. Farmers/Zurich: They actually moved down on our list from number 3 to 8 which shows some improvement. Still, run.
9. Tied: AIG and Great American: AIG and Great American were tied for 9th place. This is the first year both companies have been named on this list. Not a good sign of things to come.
10. American Family: They seem unable to get their claims handling right and have again earned a spot on this list.



Claims handling 101 is taught at several insurance companies.

SOME BRIGHT SPOTS

Not all insurance companies are bad... just most.

There are some insurers who have fairly good claims handling records. This is not to say their records are spotless. But, the insurers who chalked up the fewest complaints as compared with the total number of policies issued are:

Chubb, Amica Fireman's Fund, and Progressive.



Another happy Allstate customer proudly displays their contempt for Allstate's claims handling!