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Insurer, Hotel Settle Claim For \$90 Million

CLEARWATER LANDMARK TORN DOWN LAST YEAR

By MARY SHEDDEN
The Tampa Tribune

TAMPA — Insurance claims sometimes far outlast the buildings their policies cover.

Case in point: The former owners of Clearwater Beach's landmark Adam's Mark Hotel and six insurance companies last week settled a claim for damages from September 2004's Hurricane Frances.

The hotel, which shut its doors after Frances, was sold in the meantime to a developer and demolished more than a year ago.

The insurance settlement, filed in Tampa's federal court, pays more than \$90 million of the \$156 million requested to cover losses at the Clearwater Beach hotel and an Adam's Mark hotel and convention center in Daytona Beach. The storm hit both locations.

See **CLAIM SETTLED**, Page 6 ►

Official denies insurers' reluctance.

CLAIM SETTLED

Continued From Page 1

The lengthy dispute is a sign that insurance companies are more reluctant to settle claims, said William "Chip" Merlin, principal attorney at Tampa's Merlin Law Group and attorney for MSPA Acquisitions II, the investment group that owned the Clearwater Beach Adam's Mark until June 2005.

"They're having as much a problem with the insurance carriers as our more moderate, single-home owners," Merlin said.

That's not the case, insurance industry officials said. The Adam's Mark lawsuit is an exception to a claims system that resolves a vast majority of cases within months, said Gary Landry, vice president of the Florida Insurance Council.

"No one wants to tie it up in the legal system," said Landry, whose group represents 250 insurance companies doing business in Florida. "It gets snarled up and helps no one."

In 1992, after Hurricane Andrew, it took six months to settle 90 percent of 700,000 claims. Last year, 97 percent of the 1.6 million claims filed in Florida were resolved during the same period, Landry said.

The Adam's Mark conflict emerged when the insurance companies didn't want to cover added costs for rebuilding the Clearwater Beach location, said Bill Berk, attorney for Certain Underwriters at Lloyd's of London.

"I think a lot of claims have been settled much more quickly," Berk said.

Merlin and Landry do agree more hurricane-related claims than ever are being filed. In the past two years, Florida insurance companies have paid \$35 billion for 2.8 million hurricane-related claims, Landry said.

For Merlin, that serves as a warning that people shore up their coverage before they need to file any claims.

"It shows that people who own significant properties ... have really got to make sure they properly ensure their business," he said.

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