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Secrets, Lies And Documents - The Sequel

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Even after we agreed to accept more risk in our policies, big insurance not only reneged on their promise to lower rates for Floridians, they continued to increase them.

And while the Office of Insurance Regulation should be applauded for its decision to hold hearings to find why we were lied to, they are also getting a real sample of what lengths insurance companies will endure to fatten their bottom lines at the expense of consumers.

Having battled these entities for over 20 years, I have seen firsthand how they will do anything to avoid exposing upper management tactics that would confirm our fears about an industry that has done everything possible to avoid accountability.

Furthermore, having chaired the American Association for Justice's Bad Faith Group, I also have been witness to the much-sought-after Allstate-McKinsey documents along with similar unfair claims tactics used by carriers as far back as the early 1990s.

In Missouri, Allstate chose to pay a \$25,000 a day fine rather than turn over key management documents regarding the tactics and goals of its claims practices.

In Michigan, State Farm was sanctioned for failure to produce over 2,000 McKinsey-related documents when ordered to do so. The landmark case of Campbell vs. State Farm, which began in Utah and made its way to the U.S. Supreme Court over a course of 23 years, uncovered documents detailing a systematic program to underpay legitimate claims.

Yet another regulatory action in South Dakota cost Farmers Insurance Company and its shareholders a \$750,000 fine for having a program where cash incentives were used to encourage adjusters to underpay claims.

These tactics of secrecy represent an underlying business strategy to prevent public scrutiny of a highly regulated business that involves the public's trust. They delay and deny with the hope that the other side will simply give up as we become numb to high rates and the broken promise of fast and full payment on legitimate claims. Policyholders, governments and even shareholders suffer as insurance industry's management thumbs its nose at us.

While hearings and commissions will reveal more bad news, special-interest promises remain the biggest blockade to establishing true reform. Until the army insurance lobbyist roaming our capital is removed, along with their influence on the political system, it will remain broken.

It is time for us to enforce honesty and fair play upon an industry, which agreed to be regulated in order to do business in our state, with nothing less than an iron fist.

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