



# CONSUMER CONNECTIONS

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Brought to you by Watts Law Group, P.C. and M. Stan Herring P.C.

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## NEWS

We hope you have survived our crazy weather changes in February. We trust it will be spring soon. We appreciate your friendship and business with us and look forward to continuing to helping you anyway we can.

### The Truth About Insurance Companies

Many insurance companies promise to be a friend with catchy slogans like “Nationwide is on your side” or “You are in good hands with Allstate”. Insurance Companies will try anything when trying to secure your business. However, when we wreck our vehicle, become disabled, incur serious medical expenses, or experience some other unfortunate event, as consumers often we find out that not all of the insurance companies are friendly. (Some are and there are wonderful people at all companies but what we put below is too often the case).



The insurance industry in the U.S. has trillions of dollars in assets, and enjoys average profits of over \$30 billion a year, plus its CEOs are paid more than any other industry. Yet insurance companies still engage in dirty tricks and unethical behavior, all to boost their bottom line.

One of the ways insurance companies achieve this is by denial of valid claims.

Some of the nation’s largest insurance companies have even gone as far as to commit

fraud to avoid paying claims to consumers. The following have been reported: In the 1994 Northridge earthquake that killed 57 people and injured 9000, company officials from State Farm forged signatures on waivers of earthquake coverage to keep from paying claims to victims. Allstate gives their employees incentives such as mini fridges to deny as many “valid claims” as possible, and when former AIG CEO Maurice Greenberg would see his current units losing money, he would put new teams of staff in their place to systematically reject thousands of valid claims. One Farmers Executive was quoted as saying “Teach them to say ‘Sorry, no more,’ with a toothy grin and mean it.”

### Special points of interest:

- The Truth About Insurance Companies
- Denial of Valid Claims
- Delaying Payment of Valid Claims
- Confusing Consumers

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Another way insurance companies are defrauding the consumer is by delaying payment of valid claims.

Consumers make insurance claims at the most vulnerable times in their lives. These include a car accident, a house fire, or an illness. Insurance companies are using these events to take advantage of consumers. Insurance companies are using such tactics as asking for forms that are not needed and changing the denials each time the consumer contacts them. The goal of the insurance company is to string you along until either you give up or the insured passes away. Allstate's internal documents feature an alligator and the caption reads "sit and wait" a reference to delaying claims. Consecro representatives have testified to a variety of tricks used to deny claims, such as deliberately mailing the wrong forms to consumers. These companies are making it so hard to make a claim that people either give up or pass away before they are able to get the benefits they have paid for from their claim. LET'S NOT GIVE UP, LET'S FIGHT BACK! MESS UP THEIR PLANS. We are not able to control death, but we can choose not to give up.

Insurance companies also try and confuse consumers by having contracts that are nearly impossible to read and understand. Therefore consumers depend on their agents to decipher the contracts and what coverages they have and do not have.

Some dishonest agents try to convince the consumer that "everything" is covered until they make a claim, and then "nothing" is covered. When selling the policy to the consumer the agent never points out things such as the anti-concurrent clause, but once a claim is made they are sure to point it out.

Anti-concurrent clauses negate other coverages. The clauses dictate that not only is damage from a flood not covered, but that such damage eliminates coverage for damage that is covered in the policy.

*If any of your friends and family wish to receive this newsletter send us their name and address!*



Jeffery Kline Gilbert a Nationwide Executive was confronted with this scenario: If a tree falls on to the roof of a home, then rain water trickled down causing damage - You would in fact be covered. But if a storm surge came hours later and flooded the home, everything below the water line would no longer be covered. Mr. Gilberts response was that the policy holder should have read the policy. The real kicker is - The consumer doesn't even get the policy until after it is purchased.



[www.birminghaminjuryblog.com](http://www.birminghaminjuryblog.com)

[www.alabamconsumerlawblog.com](http://www.alabamconsumerlawblog.com)



Credit Scoring is also another unfair way insurance companies try to hike up insurance premiums or refuse to cover the consumer all together. The insurance industry justifies the use of credit scoring by assuming that a person who is reckless with credit will be a reckless driver. However, credit reports are especially unreliable. One study found 79% of credit reports contained errors and 25% of credit reports contained serious errors. Yet from 2003 - 2006 insurance companies profited an additional 67 billion from doing credit checks alone. This is why it is pertinent that you as consumers:

1. Pull your credit reports. ([www.annualcreditreport.com](http://www.annualcreditreport.com) or call 877-322-8228 to get your free Equifax, Experian and Trans Union credit reports)
2. Check for errors.
3. Dispute the errors.

One of the reasons there is no incentive to correct credit reports is because everyone makes more money except you as a consumer.

We appreciate The American Association For Justice for releasing this wonderful report entitled "Tricks Of The Trade: How Insurance Companies Deny, Delay, Confuse and Refuse", that is the basis of our article. If you would like a copy of this mailed or emailed to you, please let us know and we'll send it out to you right away. This report documents many of the abuses that Stan and I have fought against insurance companies in our combined 25 years of representing consumers. Read this and you will gain valuable information so you can be aware of these dirty tricks.

### Electronic Newsletter

We are a little behind schedule on sending out our e-newsletter but will do that very soon. Please send us your email address so we can make sure and have your accurate email address.

If any of your friends or family would like a copy also, have them email us or if they give you permission you can email us their information.

### Final Words

There are wonderful people who do a great job at insurance companies and many claims are thankfully handled in a fair and professional manner. But, as indicated in the article, there are companies and managers who are unfair and abusive. Protect yourself by gaining knowledge.

Just like insurance companies there are fair and honorable debt collectors and there are abusive ones. We are finishing a book entitled "Turning Tables On Abusive Debt Collectors". We will let you know when this is published, as we are very excited about this book and hope it will be helpful to consumers here in Alabama.

Have a great day, and great week, and a great month! We look forward to our next visit with you.

Call us about our  
**FREE SEMINARS** on what to do when  
you are sued by a debt buyer!



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