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Tempers Flare as Agents Assess Storm's Damage

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By [JOSEPH B. TREASTER](#)

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In the [Mississippi](#) Gulf Coast town of Bay St. Louis, an angry insurance customer came at an agent with a gun. Inland, in Picayune, Miss., a claims adjuster was briefly held hostage in the driveway of a wrecked house. And in Gulfport, Miss., a businessman strode into a makeshift claims tent, tossed a stack of other people's claims on the floor and told the clerk, "I'm your priority now."

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Lori Waselchuk for The New York Times

He spray-painted instructions on his damaged office.

These are some of the tales recounted by insurance agents and adjusters in the aftermath of two powerful

hurricanes. The vast Gulf Coast, from Florida to Texas, has increasingly become a caldron of frustration and anger as perhaps 25,000 insurance agents and claims adjusters struggle to begin paying for the damage to hundreds of thousands of homes. The animosity, the insurers say, has reached a level rarely seen.

Concerned about the safety of claims adjusters, some companies have begun sending out armed guards. "It's the exception, but it's happening," said Robert P. Hartwig, a spokesman for the Insurance Information Institute, a trade group in New York.

The magnitude of the destruction - 1.5 million to 2 million claims are expected - has staggered the insurers. Four weeks after the first of the storms, Hurricane Katrina, hit the Gulf Coast, tempers have started to flare as many homeowners are still waiting for a first contact from their company and others haggle with agents and adjusters over whether water or wind flattened their home and how much, if anything, their policies will pay.

"People are emotional and distraught," said Scott Naugle, an executive of Stewart, Sneed, Hewes, one of the largest insurance agencies on the Mississippi coast and a unit of BancorpSouth. "And they are looking for a place to direct their anger."

For many who lost their homes, the aftermath has been excruciating. The red-brick home of Charles Chapman, 400 yards from the Gulf of Mexico in Long Beach, Miss., was smashed to pieces. Mr. Chapman, 50 and a retired financial analyst, said that dealing with his three insurance companies had left him angry and exhausted. "It's been the most frustrating, emotional, aggravating experience of my life," he said in a telephone interview from Virginia, where he and his wife are staying.

The insurers say they have been hamstrung by the tremendous geographic sweep of the destruction, the inability to get into some areas for weeks because of flooding, crippled bridges and washed-out roads. Phones often do not work, and in many places along the coast, street signs and familiar landmarks have been swept away. After fleeing the coast, residents filled most of the hotels within 150 miles of the gulf, and some claims adjusters initially had to drive three or four hours get to the hurricane-raked areas.

But the insurers are far from blameless. Some of them, industry specialists and consumer advocates said, failed to try aggressively to reach customers. Some were also slow in sending adjusters, and a few made the mistake of trying to adjust claims from outside the region over the poorly functioning phones.

State Farm, which insured about a third of the homes in the region, acknowledged that it had received complaints. But Phil Supple, a State Farm spokesman, said that "proportionately, we still feel the efforts we're doing are moving smoothly."

The damage from Hurricane Katrina, which struck just east of New Orleans on Aug. 29, and from Hurricane Rita, which hit Texas and Louisiana on Sept. 24, has been distinct from other storms in that so much of it resulted from flooding. "Flooding tends to be 5 percent of the claims in a typical hurricane," said J. Robert Hunter, who served as director of the federal flood insurance program in the mid-1970's and is now the director of insurance at the Consumer Federation of America. "Here, it's maybe 50-50. So, the problem of wind versus water becomes hugely magnified."

Nor were the insurance agents in the region spared the storm's damage. Some lost homes and offices and all their records. That, too, has slowed the pace of dealing with claims. Tommy DeLashmet has been operating his agency out of a back room at a lawyer friend's office in Moss Point, Miss. The office of his family business had been on Main Street since 1941 and had never flooded. "I walked in after the hurricane, and there was five feet of water in there," Mr. DeLashmet said. "I didn't have flood insurance. I didn't think I needed it."

David Treutel, an agent in Bay St. Louis, bought flood coverage even though his office sat on a bluff on one of the highest points on the coast. But the tidal surge in Hurricane Katrina gutted his office as well as his home three miles away. To get his business going, Mr. Treutel pitched a tent across the street from the Hancock County Chamber of Commerce.

Many of the agents have worked in their communities for decades and now find themselves caught in the middle between their customers - old friends and neighbors - and the companies they represent.

Grady Thigpin, an agent in Picayune who represents several companies, said one family became so angry with an adjuster who refused to give them as much advance as they wanted for extra living expenses that they blocked his car in their driveway and threatened not to let him leave until he gave in. They eventually let the adjuster go, Mr. Thigpin said, "but he was shook up."

But, Mr. Treutel said, "By and large people have been very patient."

Some of the worst outbreaks of anger have come from people who assumed they had certain coverage but, in fact, did not. One man became "very upset, very irate," Mr. Treutel said, because his federal flood insurance would not pay for lost revenue for his business. Another man, Mr. Treutel said, brought along a handgun to underscore his aggravation. Mr. Naugle, whose claims handlers are working out of wedding tents and a big recreational vehicle, said the businessman who abruptly cleared off a claims handler's desk was mad because he had no coverage for hurricane wind damage, which is sometimes sold separately. When customers turn down the coverage for hurricanes or floods, Mr. Naugle said, his agency requires them to sign a written acknowledgment. "He signed it," Mr. Naugle said. "He knew it. He still wanted his claim paid."