Clock is ticking on storm claims

Bills would extend insurance deadline

By Rebecca Nowbray
Business writer

Louisiana consumers have until Aug. 29, the first anniversary of Hurricane Katrina, to resolve their storm-related homeowners and business insurance claims. But lawmakers pass legislation putting off the deadline for another year.

Most insurance policies carry a one-year statute of limitations, which means policyholders have up to a year after the loss to file any lawsuits disputing their settlement. Once that date passes, it's hard for consumers to negotiate for more money because insurance companies know their policyholders have no legal recourse.

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> State panel approves three insurance increases, see Money

By Michael Perlstein
Staff writer

Crime and law enforcement are tricky issues in any political campaign. They are usually hot-button topics for voters, but candidates almost always agree on the basics: Crime is a scourge that should be curtailed, police should be strongly supported and well-paid, judges and prosecutors should be held accountable for their actions.

The race between Mayor Ray Nagin and Lt. Gov. Mitch Landrieu is no different. At a debate Monday night at Loyola University devoted to criminal justice issues, the candidates spent more time agreeing with each other than picking at differences.

But just below the surface, a subtle fault line could be sensed from candidates' cautious but well-informed answers. Nagin believes that the city is on the right track combating its historically high crime rate. Landrieu expressed frustration that violence has been creeping back as the city recovers. "One of the startling things about post-Katrina life in the first month was to walk around and get the sense of what it felt like that was so different than before," Landrieu said. "Pre-Katrina New Orleans was a dangerous city, and it's just as dangerous today."

By Brian Thevenot
and Gordon Russell
Staff writers

In a nationally televised mayoral debate Tuesday, Mayor Ray Nagin and Lt. Gov. Mitch Landrieu ended up debating less with one another than with the two moderators, Chris Matthews of "Hardball" and WDSU's Norman Robinson, who grilled both candidates harshly on such subjects as whether New Orleans should be rebuilt at all.

Not surprisingly, both candidates believe the city they hope to lead should be rebuilt, despite extended arguments to the contrary put forth by Matthews and at one point, referring to specific neighborhoods, by Robinson.

"They're going to think it's crazy," Matthews said at one point, referring to citizens outside New Orleans and their view.

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By Rebecca Nowbray
Business writer

New Orleans Mayor Ray Nagin's microphone is adjusted by a technician as he and Lt. Gov. Mitch Landrieu debate Tuesday night at WDSU, with moderator Chris Matthews, left. The slate of debate questions — accusations — seemed geared to a national audience.

Nagin and Landrieu got few chances to take shots at each other argue about fund-raising and the pace of debris removal.

Subtleties separate candidates on crime and law enforcement

Mayor's RAGE 2006
A look at the candidates' stances on critical issues

On the rise and violent crime

Nagin: "A come up with a little uptick, but if you can compare it to the capita basis, it's not as dynamic as it was before."

Landrieu: "Rate is just a bit. It's a bit better, but it's not as bad as it was before."
"There isn't a one-year limit on their duty to pay a claim, but you lose the ability to sue them, which means, essentially, the leverage. That's when insurers get to thumb their nose at you and say, 'Too bad for you.'" AMY BACH, executive director of United Polycluders, a California advocacy group

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The one-year deadline isn’t entirely a matter of concern. But the scope of Katrina’s devast- ation, as well as the number of claims of insurers that prevented families and adjusters from accessing some property for months after the storm, slowed down the insurance process. In addition, many policyholders waited on FEMA for almost a year before getting their money, and many others have not obtained their insurance claims. As a result, many policyholders are looking to sue their insurers. The lawmakers hope to pass all the bills in the next week or so, followed by a state Supreme Court decision on the insurance laws that are constitution.

Tough industry support

Loevetta Warters, vice president of communications for the Insurance Information Institute, an industry-funded research group, said she thinks the industry might support legislation that would allow insurers to pay claims, as long as it was restricted to Katrina and Rita victims. "It’s going to be a real challenge and it is going to extend until extended until the problem is solved," Warters said. "But the lawmakers have proposed extending the deadline for policyholders to file claims, and that is a step in the right direction." However, some experts believe that the deadline for filing claims is too long and that insurers should be required to pay claims within two years of a loss. For other insurance policies that are in force in Louisiana, like those with a one-year waiting period, the deadline for filing is extended.

"The bills help put the insurance companies on notice that they need to pay claims, and they need to do it in a timely manner," Warters said. "Claimants can be prevented from filing lawsuits against insurers for years after the storm, which is unacceptable." The bills are intended to protect policyholders who are waiting for their insurance claims to be paid.

A big bill sponsored by Rep. Armand Chafetz, who sponsored the House of Representa- tives’ version of legislation on the insurance industry, said he thinks the bills will apply to health insurance as well as property coverage. The bills include changes to the 90-day waiting period for payment of claims, codification of any state insurance laws that are in place, and a requirement for insurers to pay claims within two years of a loss.

On the same day that the insurance industry pushed for legislation to protect policyholders from what they say is unfair treatment, a bipartisan group of lawmakers held a hearing on the issue.

Chairman Raul Mijares, a Utah Republican, said the hearing was "an opportunity to hear from policyholders and insurance companies about the current state of the industry and to determine what steps need to be taken to ensure that policyholders are treated fairly." He said the hearing was "a step in the right direction" and that the bills would "place the insurance industry on notice that they need to pay claims in a timely manner and that they need to work with policyholders to resolve disputes as quickly as possible.""We have to get a handle on this," Mijares said. "And we have to do it in a way that is fair to all policyholders."
pport an extension

A comment from the state insurance commissioner is that the state insurance commission has reduced the amount of money that it will pay to homeowners who have filed claims for damage to their homes. The state insurance commission has reduced the amount of money that it will pay to homeowners who have filed claims for damage to their homes. The insurance commissioner has reduced the amount of money that it will pay to homeowners who have filed claims for damage to their homes.