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DALE COMMENTS ON INSURANCE CASE RULING

Jackson – Commissioner of Insurance George Dale releases the following statement on today's ruling in the Hurricane Katrina Insurance Lawsuit trial on the Gulf Coast. The statement reads as follows:

“Our greatest concern at the MID has always been and continues to be for the policyholders on the Coast. From the beginning, starting the day after Katrina, my office has worked tirelessly behind the scenes, out of the media spotlight, negotiating with companies to settle as many claims as quickly as possible and in later months to settle as many lawsuits as possible so that Mississippi policyholders could begin rebuilding their lives. I am on record as saying that some of these cases, on an individual basis, would have to be settled at the courthouse as has happened today. I am pleased to see another policyholder find a resolution to their disputed claim, and am hopeful that this decision may help speed other resolutions to take place without the necessity of lengthy litigation and courtroom visits.

This ruling is consistent with our bulletins that we put out in the days and weeks following the storm. Specifically, Bulletin 2005-6 issued by my office on September 7, 2005 that instructed all companies to be able to clearly demonstrate the cause of loss. If there was any doubt the doubt should be resolved in favor of finding coverage on behalf of the insured.

I am encouraged by reports I am receiving on negotiation efforts to bring a collective resolution to a large number of these lawsuits. This has gone on long enough and MID will continue to push for resolutions. However, I will NOT sign off on any agreement that is not in the absolute best interests of Mississippi policyholders.

I was also pleased to see Judge Senter add more cases to the successful federal mediation program. Our state mediation program continues to show great success as well and is scheduling more mediation conferences daily.

I must also stress again how important having a viable and affordable insurance market on the Coast is to that area's recovery. I am concerned that some companies may use today's ruling as a reason to limit or exclude their writings on the Coast. My office and I will continue doing everything in our power to make sure that does not occur.”