

George Dale, Commissioner of Insurance for the State of Mississippi, has adopted an emergency regulation to facilitate fair and timely handling of residential property insurance claims arising out of Hurricane Katrina that recently devastated so many homes in Mississippi. The emergency regulation gives you the right to attend a mediation conference with your insurer in an effort to settle any dispute you have with your insurer about your claim.

1. What is mediation?

Mediation is a non-adversarial, non-binding, alternative dispute resolution procedure designed to facilitate the resolution of claims as fairly and quickly as possible. During the mediation conference, a neutral person (the mediator) guides a discussion of several ways to solve a problem. The mediator does not make decisions for the consumer or the insurance company, but simply helps to develop workable solutions by both parties. Mediation is non-binding, meaning that neither party is legally obligated to accept the outcome.

2. Who can ask for mediation?

Any insured that has a disputed Hurricane Katrina claim may request mediation. A disputed claim is defined as any claim where the difference between the positions of you and your insurance company is \$500.00 or more. Commercial insurance claims, private passenger motor vehicle insurance, liability coverage contained in property insurance policies, or claims with the National Flood Insurance Program will not be eligible.

3. What if I have appealed the insurance company's findings through their appraisal or appeals process, or have filed legal action?

An insured that is in the appeals or appraisal process regarding their claim with an insurance company can participate in the Mediation Program at the conclusion of the appeals or appraisal process if the insured wishes. However, if an insured has filed a legal action against an insurance company relating to their Hurricane Katrina claim, the insured will be unable to participate in the Mediation Program.

4. Will insurance companies participate?

All admitted insurance companies and any eligible non-admitted insurers/surplus lines insurers which provided personal residential property insurance coverage in Mississippi, including the Mississippi Windstorm Underwriting Association, will be participating in the Mediation Program. Claims with the National Flood Insurance Program will not be eligible for this program.

5. How do I begin the mediation process?

Beginning on January 6, 2006, within 10 days of the time an insured files a first-party claim, the insurer must mail to the insured a notice of the right to mediate disputed claims. For disputed claims filed prior to January 6, 2006, the insurer must mail the notice to the insured by no later than January 20, 2006. This notice will fully explain how an insured may request a mediation conference by contacting the Administrator.

6. Who is the Administrator and what do they do?

The Mississippi Department of Insurance has selected the American Arbitration Association (AAA) as its Administrator to oversee the day-to day operations of the mediation program. AAA is a non-profit organization which has specialized in providing dispute resolution services since 1926. They will handle all administrative duties for this program, including accepting and reviewing the requests for mediation, scheduling the mediation conferences, and selecting the mediators.

7. How do I contact the Administrator?

You can contact the Administrator in the following manners:

By writing the Administrator at:
American Arbitration Association
ATTN: MS Insurance Mediation
13455 Noel Road, Suite 1750
Dallas, TX 75240

By calling the Administrator at: 1-800-426-8792

By faxing the Administrator at: 972-702-0173

By contacting the Administrator on-line at Msinsmediation@adr.org

8. Who will be the mediators?

Mediators will be selected by the Administrator from a panel of mediators approved pursuant to the Mississippi Court Annexed Mediation Rules For Civil Litigation, as adopted by the Mississippi Supreme Court on October 2, 1998. The mediation panel will also be required to have the appropriate qualifications to mediate these types of property claims. The panel will include several former Mississippi judges who will bring a wealth of dispute resolution experience to the mediation program.

9. Does mediation work?

The State of Florida implemented a mediation program in 2004 and as of December 5, 2005 they had received 12,160 mediation requests from Florida residents. They have closed 11,925 of those cases with a settlement rate of approximately 93% (includes settlements, partial settlements, and pre-settlements).

10. Who do I contact if I have further questions?

You may contact the Mississippi Department of Insurance at 601-359-3569 or AAA at 1-800-426-8792 or visit the AAA website at <http://www.adr.org>.