

Financial Services Committee

Feb 08, 2007

Dear Erika,

I spoke with you today regarding my Katrina insurance horror story. I am sending the details and exhibits in this Email. I waive any confidentiality regarding this correspondence.

My home at 6400 Lakeshore Rd, Lakeshore, MS 39520, was severely damaged by Hurricane Katrina. I immediately notified my insurance company, USAA, of my loss and claim. They stalled me for several weeks (and many phone calls) by saying that USAA had only one person qualified to handle claims in Mississippi and that person would contact me soon. I thought this was a strange way to run an insurance company.

Someone did contact me five weeks later and stated I was not covered for anything because I was not covered for wind or hail damage. I requested formal notification of this and they sent me a letter of explanation on October 11, 2005.

[See: USAA Letter #1]

In March 2006, I read over my policy and noticed under **Coverage D-Loss of Use** I was eligible for some coverage from my policy.

[See USAA Letter Exhibit #2]

I then called USAA and spoke to many representatives over a two week period. USAA tried to run me "around and over." I enclose a portion of the letter I wrote the President of USAA, Robert G. Davis, describing my experience dealing with his agents after I discovered USAA's letter of Oct 11, 2005 was a misrepresentation:

*....."Although my coverage does contain an exclusion for wind it also contains an exemption to that exclusion allowing for losses under **Coverage D**. USAA did not assist me, although able to do so under the exclusion which I found six months later, on my own and with USAA representatives denying it's existence for that period.*

After I noted the exemption to the exclusion I contacted USAA and after a morning of calling, being put on hold, bumped from rep to rep, I spoke to Sherry Rocha, in the Mobile office, who said it had been determined the loss was due to flood which wasn't covered. I asked if she had a report since this conflicted with their original letter of Oct, 11, 2005. I got several answers to my question, including yes, no and maybe. When I asked for a copy of any information regarding the determination, she said she would send me some photos. Only one showed a "flood line" which was drawn in the margin of the fax I received. I presume someone made the flood determination from a desk because if you see my exhibits there is no such flood line. USAA's flood line is not accurate and cannot be proved. Why the subterfuge?

*Next I called USAA claims again and asked for a supervisor. After holding for several reps, a Mr. Dunk denied there existed a form HO-94MS, which describes the **Coverage D** exception to the wind damage clause, even though I held one in my hand and read it to him four times.*

*Next I received a call from Rhonda Costely, a USAA Representative from Mobile. She informed me that Mr. Dunk was a brand new employee and didn't know anything. Yet she still denied the existance of **Coverage D**. Finally after many phone calls and seven hours she admitted an exemption existed. But now Ms Costley shifted the blame to flood damage. I wasn't covered, she said, because my house was 100% flood damaged. She could determine from her desk that it was all flood damage, no wind damage. I mention the tornados in the Waveland area. I mentioned Sherry's "flood line" and asked her, how with no mark on the outside wall could someone without a report, without seeing it and without any other confirmation could determine all the damage was flood. Ms Costley said USAA hired the best experts to make this determination. I asked again for a report, since it was obvious Sherry just drew the line minutes before. I have requested the expert reports, none have been sent."*

Erika, I enclose this excerpt because I believe it tells the story of how my claim was "handled" and shows the callous arrogance of USAA when they see a threat to their bottom line. Davis and USAA never responded to my letter nor sent an expert's report.

I did receive a letter from USAA explaining that I am not covered under **Coverage D** because my house was damaged by flood to the exclusion of anything else, wind, tornado, etc.

[See USAA Letter Exhibit #3]

I believe USAA was also deceptive in the manner which they tried to present "exclusive" flood damage. I enclose the photo which Sherry Rocha from USAA sent me earlier to substantiate their proof of flood damage.

The above faxed photo is all USAA would provide. As you can see it is of very poor quality and is noted only with a line and a comment "flood line." It seems difficult if not impossible to determine it's veracity.

Below are three photos I took which clearly show no flood line. These were taken 6 days before USAA's photos. If you look at the photo taken of the side you can clearly see hurricane, wind debris damage to the siding. And you can note no damage to the air conditioner which should have been damaged or stained according to USAA.

No Flood Line

Scrapes from flying debris. Indicative of wind damage. No damage to A/C

No Flood Line

This sequence of photos shows to me and everyone who has seen them that USAA's photo is inaccurate if not fraudulent. It appears there is no flood line, and USAA will not provide me with a clearer photo or a report.

You may use this letter and its exhibits to any purpose you wish. I would be more than happy to travel to Washington and testify at my own expense. I can be reached at cell phone # 978-395-1926 or 508-646-9929. Please notify me if you need any more information or clarification of the exhibits.

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