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## Study reveals worst insurers

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-- Allstate is the nation's worst insurance company for consumers, an association of lawyers who sue big business concludes in a report released Wednesday.

"The rankings show a distinct pattern of insurance industry greed amongst 10 companies that refuse to pay just claims, employ hardball tactics against policyholders, reward executives with extravagant salaries, and raise premiums while hoarding excessive profits," the American Association for Justice concludes.

Researchers spent six months compiling information from court documents, SEC and FBI records, state insurance department investigations and complaints, nationwide news accounts, and testimony of former insurance agents and adjusters.

"We're not surprised we're being targeted by the trial and personal injury lawyers because Allstate has been at the forefront of the fight against insurance fraud and the effort to resist unreasonable demands made by lawyers," Allstate spokesman Michael Siemienas said Wednesday.

"If trial lawyers and personal injury lawyers don't like Allstate, the facts show that consumers do."

The AAJ says the U.S. insurance industry collects more than \$1 trillion in premiums annually, and has \$3.8 trillion in assets, surpassing the Gross Domestic Products of all countries but the United States and Japan.

Robert Hartwig of the industry-sponsored Insurance Information Institute said consumers should consider the source: litigious attorneys who help drive up insurance costs. He also said the industry has paid out nearly \$300 billion to tens of millions of policyholders across the country over the past 20 years.

The top 5 offenders on the list:

1. **ALLSTATE** - CEO, Thomas Wilson; 2007 compensation, \$10.7 million; 2007 profits, \$4.6 billion; assets: \$156.4 billion. "According to investigations and documents Allstate was forced to make public, the company systematically placed profits over its own policyholders... The amount Allstate paid in claims dropped from 79 percent of its premium income in 1996 to just 58 percent 10 years later. In auto claims, payouts dropped from 63 percent to just 47 percent.

2. **UNUM** - CEO, Thomas Watjen; 2007 compensation, \$7.3 million; 2007 profits, \$679 million; assets, \$52.4 billion. "Unum, one of the nation's leading disability insurers, has long had a reputation for unfairly denying and delaying claims.."

3. **AIG** - CEO, Robert Willumstad; 2007 compensation for former CEO, 14.3 million; 2007 profits: \$6.2 billion; assets, \$1.06 trillion; "AIG executives have also come under fire for opportunistically seeking price increases during catastrophes. Now the company has been labeled 'the new Enron' because of charges of multibillion-dollar corporate fraud."

4. **STATE FARM** - CEO: Edward B. Rust Jr.; 2007 compensation, \$11.7 million; 2007 profits: \$5.5 billion; assets, \$181.4 billion. "In many cases, the company has gone to extreme lengths to avoid paying claims, including forging signatures on earthquake waivers after the deadly Northridge earthquake, and altering engineering reports regarding damage after Hurricane Katrina."

5. **CONSECO** - CEO, C. James Prieur; 2007 compensation: \$2.6 million; 2007 profits: \$179.9 million; assets: \$33.5 billion. "Conseco sells long-term-care policies, typically to the elderly. Unfortunately, Conseco uses the deteriorating health of its policyholders to its advantage because the company knows if it waits long enough to pay out claims, its customers will die."

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