

The Daily Gazette

Schenectady, NY

July 8, 1997

Critics attack Bruno over insurance bill

By PAUL FOY
Gazette Reporter

ALBANY - Senate Majority Leader Joseph Bruno is coming under attack this week in a radio campaign sponsored by Citizens Against Unfair Insurance practices.

The group complains that Bruno, R-Brunswick, is blocking legislation that would let policyholders try to punish insurance companies in court for refusing to negotiate claims in good faith.

Organizers are assailing Bruno on the airways and flooding his district with flyers headlined: "Hey, Joe, Let It go!"

Citizen Action of New York joined the cause on Monday, reporting that insurance companies and their industry groups contributed \$235,967 to Bruno, the Senate Republican Campaign committee and the republican State Committee in 1995 and 1996.

Bruno alone got \$70,100 during the same years from 31 insurers and groups, said Citizens Action.

Anytime anybody doesn't like what you're doing, you're in somebody's pocket OK? and I find that ludicrous," Bruno reacted Monday. "Because, you name it, if they don't like what legislators are doing, then you're bought and paid for, OK? I try to do what's responsible. I can't change that. And I can't help what people like that say."

Those "people" include Martin Goldstein of Bedford, Westchester County, president of Citizens Against Unfair Insurance practices, and Tom Cameron, of Stephentown, Rensselaer County, inside Bruno's district.

Goldstein and Cameron have something in common: Both have been accused by their insurance companies of being arsonists, despite a lack of evidence, they said Monday at a news conference.

Both have spent thousands of dollars on legal fees, suing their insurance companies. Under present law, they said, the companies have no incentive to settle their claims, which are \$520,000 in Goldstein's case and \$68,000 in Cameron's.

"I'm being financially drained," said Cameron, 58, a retired cook who has paid \$8,000 in legal fees fighting Capital Mutual Insurance Co. and owes his lawyer more.

Cameron lost a storage building packed with personal belongings in October 1994, and said a police investigation yielded no evidence of arson.

Cameron said he's now getting burned by his insurance company, which has grilled him on four occasions in pre-trial depositions, delaying his case in court.

Cameron and others are pushing for legislation passed 130-15 by the Assembly in May, but stalled in the Senate despite support from Guy J. Velella, chairman of the Senate Insurance Committee and five other Senate Republicans.

The bill is being held in the catch-all Senate Rules Committee, which Bruno chairs.

The legislation gives Insurers six months to decide whether to pay a claim or not. The insurers could be liable for refusing to pay reasonable claims or delaying payment "if such refusal or delay was not substantially justified," according to a legislative memorandum.

Winning policyholders would collect attorney fees and punitive damages equal to the amount of the claim.

Bruno opposes the legislation in its current form, saying it would force insurance companies to raise premiums on all policyholders to cover additional legal costs caused by "just a few."

Insurance groups have filed memorandums of opposition with the Legislature. The National Association of Independent Insurers says the bill "invites abuse" and would have a "chilling effect" on the claims-settlement process.

"This provision would force insurers to settle possibly fraudulent claims" by leaving them without enough time to "fully investigate" the claims, the association said.

The Life Insurance Council of New York was more blunt, saying, "This legislation is a trial lawyer's dream." It does have the support of the state Trial Lawyers Association, which accuses the insurance industry of practicing unfair tactics.

"Insurance companies can rip you off and right now there's nothing you can do about it," says the radio ad narrated by Goldstein. "I'm an insurance company victim and I don't want you to become one."

It assures listeners the bill "would pass the Senate in a heart-beat" but that Bruno is blocking it.