

# Family claims it was burned by fire insurance Nationwide faces several complaints

**Baldwinsville couple sues Nationwide.**

**By Dan Kane  
Staff Writer**

**The maroon two-story Cape Cod home on 2551 Country Lane, Baldwinsville, looks idyllic.**

**But inside, the floors have humps. Doors don't close properly. Freezer tape keeps the ripped screens together.**

**These are among the reminders of the Connelly family's two-year long dispute with their insurance company, Nationwide Insurance Cos. A fire severely damaged their home on July 23, 1989. Nationwide hasn't paid enough for repairs, replacement of destroyed items and living expenses, they say.**

**Francis Connelly has borrowed \$14,000 on his pension and cashed in \$10,000 to pay for the repairs. The couples said their credit cards are at their limits.**

**"I can't tell you how much pain and aggravation we've suffered," said his wife, Mary Ann Connelly.**

**Last week, the Connellys sued Nationwide in U.S. District Court in Syracuse. They want \$248,000 for losses and living expenses. They also**

want money for attorneys' fees, up to \$1,000 for "deceptive business practices" and punitive damages to be determined by a jury.

**Robert Keane, Nationwide's district claims manager in North Syracuse, declined to discuss the Connellys' case because of the litigation.**

**The company has faced several recent court challenges.**

**In December, a federal judge in Manhattan took the unusual step of ruling that Nationwide could face punitive damages in a lawsuit filed by a Westchester County couple.**

**That couple, John Riordan and Jane Fox, allege Nationwide offered them \$20,000 in contents coverage after a fire on June 17, 1989. The couple, whose policy promised full replacement, claim they have documented losses of \$147,000.**

**In another suit, Richard Schimely, a corrections officer from Batavia, alleged Nationwide put him up in a construction trailer with no heat or electricity when his home burned to the ground in October 1987.**

**"This was a week before Christmas," he said. "I thought, 'Is this some kind of cruel joke?'"**

**He 'accepted a \$100,000 settlement before trial earlier this year.**

**Keane said Schimely isn't telling the whole story but wouldn't provide details.**

**Jonathan Wilkofsky, a New York City lawyer, represents the Westchester family and the Connellys. As part of the Westchester case, Wilkofsky is attempting to show a pattern of bad conduct by Nationwide. He said he has reviewed state insurance department and Nationwide's records of about 20 cases he believes show bad faith by Nationwide.**

**He will try to show Nationwide pressures financially strapped policyholders to accept low settlements.**

**Nationwide holds about 2.6 percent of homeowners' policies in New York. In 1989, 44 home insurance policy holders complained to the state Insurance Department about Nationwide, spokesman John Calagna said.**

**Last year, 63 policyholders complained, and so far this year 39 people have complained, he said.**

**By contrast, Allstate, the largest single policy writer with 17 percent of New Yorkers' business, was named in 159 complaints in 1989; 242 complaints in 1990; 182 this year. Proportionally speaking, Allstate had about 6?times the business but was named in just 4 times as many complaints.**

**Nationwide ranks seventh in home insurance business in the state with \$38 million in direct premiums written last year.**

**The Columbus, Ohio-based insurer denies treating its policyholders unfairly.**

**"If we were in the business of trying to deprive people of their money, we wouldn't be in business," Keane said.**

**The Connellys say the family's troubles with Nationwide started the day their home burned. Francis, 43, a salesman for Dodge Chemical Company, and Mary Ann, 42, a nurse for the Baldwinsville School District, and their five children couldn't stay there. The fire began by the circuit breaker box in the garage. Bad wiring was blamed.**

**They couldn't reach their agent after the fire. They called Nationwide, and the company sent out an adjuster the next day. But he didn't give them his estimate until two months later, said Richard Leyda, a licensed public adjuster from Baldwinsville hired by the Connellys, in a complaint to the state Insurance Department.**

**Nationwide told them they could hire a contractor to begin repairing the 3-year-old house. After the contractor, Martin Diamond, began work in September, a dispute arose over how much Nationwide would pay.**

**Diamond estimated the job would cost \$125,000; Nationwide estimated \$104,000, but would only pay \$97,600, Leyda said in the complaint, filed Feb.12, 1990. The contractor left the job unfinished, the Connellys said. He is now suing them for work he says he wasn't paid for.**

**The Connellys rented a home in Radisson for five months. When they returned home in December 1989, they had to clean soot out of the**

**bathrooms, replace broken windows and screens and repair broken steps in the basement. They had to pay for landscaping in the summer.**

**They had more problems replacing items lost or damaged.**

**The' Connellys say they spent \$20,000 on necessities such as clothes and bedding shortly after the blaze; Nationwide would reimburse them for just \$8,000.**

**In December 1990, Nationwide disputed many of the costs Leyda 'had certified, refusing to replace items such as clothing, a typewriter, a desk and a slide projector. On other items Nationwide's agent reduced what the company was willing to pay.**

**The Connellys last fall sued in state Supreme Court to bring Nationwide before an arbitrator to reach a settlement. They won there, but an appeals court sided with Nationwide.**