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Bruno offers own insurance bill

Albany ***Critics say he has blocked a stronger plan due to insurer opposition***

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Senate Majority Leader Joseph Bruno has submitted legislation designed to increase consumer protection against insurance companies as an alternative to a proposal that had insurance companies up in arms.

A bill that would allow policyholders who are denied a legitimate claim to obtain attorney fees and punitive damages from property and life insurers is stalled in the Senate, although a similar one has passed in the Assembly.

Advocates say Bruno has blocked the bill because he gets campaign contributions from the insurance industry. Bruno, however, says the bill would raise insurance premiums.

To deal with the issue of unfair claim settlement practices, Bruno proposes spending $500,000 to beef up the consumer protection division at the state Department of Insurance.

Bruno's proposal would make it easier for regulators to determine if insurance companies are violating state law. It would double the fine for engaging in unfair settlement practices to $1,000. And it would require insurance companies to have an appraisal done even if there is an indication of fraud or arson.

Bruno spokesman John McArdle said the new bill was not done in response to the previously submitted legislation.

"It is in response to a genuine concern that there may be insurers who do not respond to policyholders," he said, "No one was disputing this was a concern."

Martin Goldstein, president of Citizens Against Unfair Insurance Practices, the group pushing for the initial bill, said Bruno's proposal does not go far enough.

"This bill doesn't resolve the problem of unfair settlement claim practices," he said. "It gives the insurance department a little more punch, but it doesn't resolve the consumer's problem."

Recently, Goldstein's group targeted Bruno in a series of attack ads because of a long history of accepting donations from the insurance industry and because it is largely Bruno who is preventing what consumer advocates call a reform bill from reaching the floor of the Senate