

The Post Standard SYRACUSE, N.Y.

AUGUST 6, 1997

Consumer Advocates Attack Weaker Bill

Sen. John DeFrancisco argues it is better to do something than nothing on an insurance issue.

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Earlier this year, state Sen. John DeFrancisco forcefully pushed a bill entitling auto and home insurance policyholders to monetary damages if they could prove insurance companies unjustly denied their claims.

Last Thursday, with the bill stalled in committee, the Syracuse Republican introduced a much weaker measure.

Consumer advocates had been thrilled with DeFrancisco's sponsorship of the earlier bill, and had given him the microphone at news conferences and rallies. But his latest move, they charged, represented a sellout on the issue.

The second bill had no chance to pass the Assembly. The assembly-man who had worked with DeFrancisco on the original bill called the later one "a joke."

Senate Majority Leader Joseph Bruno, a Rensselaer County Republican, last month said he had problems with DeFrancisco's original bill and did not intend to allow a vote on it by the full Senate. The bill remained stalled in committee ever since.

Consumer advocates and Democrats saw the follow-up as an effort to give Bruno "political cover" on the issue. But DeFrancisco insisted the regulatory bill was his idea, and said it was better to do something than nothing.

The stronger bill has passed the Assembly in each of the last few years. The weaker bill passed the Senate Monday. It would allow the state

Insurance Department to fine companies up to \$1,000 for single instances of "arbitrary and capricious" conduct." Current law requires a pattern of such conduct and limits fines to \$500. A companion bill would give the agency \$500,000 to hire extra investigators.

Assemblyman Daniel Feldman, a Brooklyn Democrat who co-sponsored the stronger bill with De-Francisco, called the follow-up measure "milkweed floating in the air. It's a cave-in, a sellout bill... Obviously, Sen. Bruno has exercised his persuasive powers over Sen. DeFrancisco." DeFrancisco didn't see it that way.

"What I'm attempting to do with this bill is to come out with as much as we're going to get out of the Senate this year rather than come out empty-handed," he said. "That doesn't mean I'm not going to pursue that (tougher) bill in subsequent years, but we don't have the votes this year."

Martin Goldstein, president of the group Citizens Against Unfair Insurance Practices, claims most senators support the stronger bill. But he noted Bruno, who controls GOP senators' staff sizes, committee assignments, perks, salary bonuses and even big chunks of their campaign cash, also controls legislation in the Senate. I

Goldstein acknowledged the weaker DeFrancisco bill "has merit." But he noted that the Insurance Department is limited in pursuing complaints.

DeFrancisco, Feldman and Citizens Against Unfair Insurance Practices all charge that some insurance companies deny legitimate claims because they know the worst that can happen is a court will order them to pay what they should have in the first place.

Insurance companies argue, the DeFrancisco-Feldman bill would discourage thorough investigations of bogus claims.