

THE JLF REPORT

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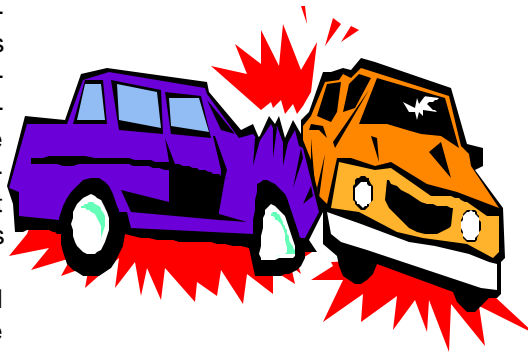
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CNN REVEALS: WHY HIRE A LAWYER?



CNN's investigative reporters have revealed damning evidence against major insurance companies, such as State Farm and Allstate, which are profiting billions of dollars by underpaying injured car accident victims. The monies these companies are denying car accident victims would otherwise go towards doctors' visits, lost wages, and rehabilitation. However, strategies adopted by insurance companies have been making "take it or leave it" payout offers that in many cases do not even cover a fraction of the victim's expenses.

Imagine you are driving along and another car comes out of nowhere and runs into the side of your car, injuring you to the point where you can barely walk, or are in severe pain, and you need doctors' visits, CT-scans, x-



rays, and rehabilitation. Wouldn't you expect the insurance company of the driver who hit you to pay those bills?

Roxanne Martinez did. CNN reported that when she was hit by an SUV on the passenger side of her car, she was smashed up against her driver-side window, damaging her spine. Her medical bills quickly accumulated and she thought Allstate, the insurer of the driver who hit her, would pay for her injuries.

Three years later after CT-scans, doctors visits, x-rays, and a host of medical problems, Roxanne was still fighting Allstate. The company finally offered her \$15,000, a sum that did not cover her expenses, much less her pain, time lost from work, or the emotional anguish of not knowing whether or not she would be able to afford her treatment. (Continued on next page.)

JLF SPONSORS 5TH ANNUAL "SHOOT THREE & WIN" CHARITY EVENT

A lowcountry resident with a talent for sinking hoops won \$1,000 in a contest that the Joye Law Firm sponsored recently as part of a charitable basketball tournament in Charleston.

Fifteen year-old Robert Howard of Walterboro won the firm's fifth annual "Shoot Three and Win" basketball challenge, said Ken Harrell, the firm's managing partner.

Contestants got the chance to win \$50, \$200, or \$1,000 in the contest, held Dec. 26-30 in conjunction with the Piggly Wiggly Roundball Classic tournament.

The tournament and the contest raised about \$45,000 for two charities, Communities in Schools and the North Charleston Rotary Club's scholarship program, Harrell said.

"Sponsoring this tournament and the halftime contest throughout the years has been a special honor for the Joye Law Firm," Harrell said. "We are truly blessed to be a part of the tournament and help provide college scholarships to local kids and help at-risk youth."

Would-be contestants bought tickets to enter a raffle-style drawing for a chance to compete in the contest, which was held at halftime during all of the tournament games. Chosen at random, those who made the cut could win \$50 by making two layups and

\$200 for also making a free-throw shot.

Anyone making at least two shots was invited back on the final night of the tournament to compete for the \$1,000 grand prize. To win, finalists participated in a free-throw shoot-out. Anyone missing a shot was eliminated, and the finalists continued to make shots until one, the winner, was left.



Joye Law Firm partner Ken Harrell presents contest winner Robert Howard of Walterboro with a \$1,000 check at the Roundball Classic.



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CNN: WHY HIRE A LAWYER? (CONT. FROM P. 1)

This tactic is part of a strategy insurance companies use to make themselves billions of dollars. CNN's year and one-half investigation into the insurance industry found that if you are injured in a minor accident, major insurance companies will likely challenge your claim, drag you into court, and take years before making you an offer. This offer is often significantly less than what your claim is worth.

Industry insiders says this results in 80% to 90% of injured victims accepting what the insurance company offers instead of fighting.

Why would an insurance company, especially one that you constantly have given significant amounts of money to over the years to take care of you in the event that you are injured, act with such reckless disregard towards your personal well-being? The answer is simple: insurance companies make more money if they pay you less money for your injuries, even if you need the money to cover necessary medical bills, lost wages, and rehabilitation.

According to Jeff Stemple, a Nevada insurance law professor, accident victims are getting hurt further by being dragged into court by insurance companies. Other policy holders are not seeing any benefit, such as reduced premiums, when Allstate or State Farm takes someone who needs money for their injuries to court. This practice is not saving the consumer money at all. In fact, the only real beneficiary in keeping money from the people who need it are the insurance companies themselves. Professor Stemple says, "To continue this kind of program is, in my view, institutionalized bad faith." These insurance companies seem to believe that money is better spent dragging someone hurt who needs insurance money for their injuries through court, instead of helping them pay their bills.

Both Allstate and State Farm would not discuss the investigation results with CNN.

Jim Mathis, a former insurance company insider, told CNN, "As long as the public allows this to occur, insurance companies will get richer, and people will not get a fair and reasonable settlement - period."

The math behind the insurance company strategy is simple: take \$1,000 off of one million claims and you have made one billion dollars. Do this with every claim over a number of years and you have made billions of dollars.

Insurance carriers achieve this cost-cutting through a process known as the "3 D's":

1. Deny the claim. 2. Delay the claim. 3. Defend a denial of the claim.

For "smaller, walk-away settlements," (which are "take it or leave it" offers years after the actual accident occurred), battles have already been fought, bills have added up, and people are afraid that they won't get any money from their claims. Insurance companies can essentially force an injured victim to accept whatever it is they are offering. This tactic preys on the fear of a car accident victim who wonders if they are ever going to get any money for their accident whatsoever.

One Indianapolis superior court judge told CNN that many insurance company lawyers have confided in him that they want to settle many of these minor impact cases, but the insurance companies won't allow them to. Insurance companies would rather fight every claim, even though that means not giving their paying customer the money they need to heal and get back to their lives.

One lawyer for Allstate said the company's strategy was to drive lawyers who represent victims out of the insurance industry. The company tried to accomplish this by making the act of fighting a claim "so expensive and so time-consuming that lawyers would start refusing to help clients."

At the Joye Law Firm, we refuse to stop helping people fight against unfair insurance company practices. If you have been injured in a car accident, call our law firm today or fill out a free on-line consultation form to be contacted by someone at our firm. We want to help.

(Source: "Insurance companies fight paying billions in claims," Published 2/7/07 on Anderson Cooper 360 Blog Access 2/8/07 via www.CNN.com.)

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ALLSTATE RANKS AS WORST INSURER FOR CONSUMERS

Insurance Industry Employs "Deny, Delay, Defend" Strategy, Puts Profits Over Policyholders

WASHINGTON, DC - Allstate ranks as the worst insurer for consumers, according to a comprehensive investigation of thousands of legal documents and financial filings.

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.

"While Allstate publicly touts its 'good hands' approach, it has instead privately instructed its agents to employ a 'boxing gloves' strategy against its policyholders," said American Association for Justice CEO Jon Haber. "Allstate ducks, bobs and weaves to avoid paying claims to increase its profits."

Allstate (NYSE: ALL) set the standard for insurance company greed and placing profits over policyholders. Allstate contracted with consulting giant McKinsey & Co. in the mid-1990s to systematically force consumers to accept low-ball offers or face its "boxing gloves," an aggressive strategy designed to deny claims at any cost. One Allstate employee reported that supervisors told agents to lie and blame fires on arson, and in turn, were rewarded with portable fridges.

Thousands of court documents, materials uncovered from litigation and discovery, testimony, complaints filed with state insurance departments, SEC and FBI records, and news accounts were reviewed to compile the rankings and statistics.

The rest of the rankings are as follows:

2. **Unum (NYSE: UNM)** - Unum's actions are even more shameful considering the type of insurance it sells: disability. Unum's behavior was epitomized when it denied the claim of a woman with multiple sclerosis for three years, stating her conditions were "self-reported," contrary to doctors' evaluations. In 2005, Unum agreed to a settlement with insurance commissioners from 48 states over their practices.

3. **AIG (NYSE: AIG)** - The world's biggest insurer, AIG's slogan was "we know money." AIG, described by commentators as "the new Enron," has engaged in massive corporate fraud and claims abuses. In 2006, the company paid \$1.6 billion to settle a host of charges.

4. **State Farm** - State Farm is notorious for its deny and delay tactics, and like Allstate, hired McKinsey consultants. State Farm's true motives became apparent during Hurricane Katrina; for example, it employed multiple engineering firms until they could deny the claims of the Nguyen family of Mississippi. In April 2007, State Farm agreed to re-evaluate more than 3,000 Hurricane Katrina claims.

5. **Conseco (NYSE: CNO)** - Conseco sells long-term care poli-

cies, typically to the elderly. Amongst its egregious behavior, the insurer "made it so hard to make a claim that people either died or gave up," said a former Conseco-subsiary agent. Former Conseco executives were fined when they admitted to filing misleading financial statements with regulators.

6. **WellPoint (NYSE: WLP)** - Health insurer WellPoint has a long history of putting profits ahead of policyholders. For instance, California fined a WellPoint subsidiary in March 2007 after an investigation revealed that the insurer routinely canceled policies of pregnant women and chronically ill patients.

7. **Farmers** - Swiss-owned Farmers Insurance Group consistently ranks at or near the bottom of homeowner satisfaction surveys, and for good reason. For example, Farmers had an incentive program called "Quest for Gold" that offered pizza parties to its adjusters that met low claims payments goals. Like Allstate, it also hired the McKinsey consultants.

8. **UnitedHealth (NYSE: UNH)** - The SEC opened an investigation into former UnitedHealth CEO William McGuire for stock back-dating, which ultimately led to his ouster in 2006 and returning \$620 million in stock gains and retirement compensation. Physicians have also reported that their reimbursements are so low and delayed by the company that patient health is being compromised.

9. **Torchmark (NYSE: TMK)** - According to Hoover's In-Depth Company Records, Torchmark's very origins were little more than a scam devised to enrich its founder, Frank Samford. Torchmark has preyed on low-income Southern residents and charged minority policyholders more than whites on burial policies.

10. **Liberty Mutual** - Like Allstate and State Farm, Liberty Mutual hired consulting giant McKinsey to adopt aggressive tactics. Liberty's tactics were highlighted when a New York couple's insurance was "non-renewed" by Liberty, even though they lived 12 miles from the coast and never experienced weather-related flooding.

Financial documents also revealed extravagant profits and executive compensation while policyholders' claims were routinely delayed and denied:

- Over the last 10 years, the property/casualty and life/health insurance industries have each enjoyed annual profits exceeding \$30 billion.

- The insurance industry takes in over \$1 trillion in premiums every year. It has \$3.8 trillion in assets, more than the GDPs of all but two countries.

- The CEOs of the top 10 property/casualty firms earned an average of \$8.9 million in 2007. The CEOs of the top 10 life/health insurance firms earned an average of \$9.1 million.

- The median insurance CEO's cash compensation is \$1.6 million per year, leading all industries.

To see how consumers can hold the insurance industry accountable and view a full copy of the study, visit
<http://www.justice.org/docs/TenWorstInsuranceCompanies.pdf>.



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STAFF PROFILE: CASE MANAGER ERIN ROJAS



Miami, it's no wonder that case manager Erin Rojas's favorite thing about working at the Joye Law Firm is helping people get back on their feet. The caring attitude which led her to go overseas to serve others is evidenced daily in her work as a case manager for the law firm's workers' compensation team, and as the firm's Hispanic client service representative.

Born in Tacoma, Washington, Erin grew up in Stafford, Virginia and she later graduated from the University of Mary Washington in Fredricksburg, Virginia with a B.A. in Economics in 2002. Shortly after graduating from college, she joined Peace Corps Paraguay in 2003. After intensive

With a background that includes spending two years working for the Peace Corps and teaching kindergarten in inner-city

cultural training, she helped womens' groups raise money to finance a running water project by marketing home-made detergents and shampoos, and she did health presentations for children. While in Paraguay, Erin met her current husband, Ramon Rojas.

Fluent in Spanish, Erin's language skills have been a god-send for the law firm given the growing number of Spanish-speaking lowcountry residents. She joined the Joye Law Firm in 2006. Since then, her interest in helping others has led her to start a recycling program (with the cans used to raise money for local fire departments) and she helped spear-head the creation of "Joye In The Community", which will focus on assisting Habitat for Humanity in 2009. When not helping others, she enjoys gardening and reading.



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