



# The Senate of The State of Texas

SENATOR RODNEY ELLIS  
District 13

PRESIDENT PRO TEMPORE  
1999 - 2000

COMMITTEES:

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Criminal Justice  
Transportation & Homeland Security  
State Affairs

September 11, 2012

Ms. Eleanor Kitzman  
Commissioner  
Texas Department of Insurance  
333 Guadalupe  
Austin, TX 78701

Dear Commissioner Kitzman:

As you recall, I wrote you on October 24, 2011, with serious concerns regarding State Farm Insurance Company's handling of Hurricane Ike claims concerning roof shingles that were lifted or unsealed as a result of hurricane-force winds. Your October 26, 2011, reply indicated that "[f]ollowing Hurricane Ike, the TDI Enforcement Section investigated State Farms claims-handling practices" in response to consumer complaints. Additionally, you stated that TDI's "review of the State Farm claims-handling information did not result in additional action" and you "closed [y]our investigation in December 2010."

Last week, media reports detailed how State Farm now faces a criminal investigation by the Travis County District Attorney's Public Integrity Unit related to how the insurance company handled claims for lifted or unsealed shingles as a result of Hurricane Ike. Specifically, the ABC News report stated:

Gregg Cox, who leads the public integrity unit of the Travis County District Attorney's office in Austin, confirmed to ABC News his investigators recently launched the probe after reviewing newly released communications from top State Farm managers in Texas. Some of the same communications have led to lawsuits by customers who say they were defrauded by State Farm Lloyds, the Texas subsidiary of the larger insurance company.

The documents in question relate to an alleged cover-up by State Farm management related to its denial of consumer insurance claims for a common type of roof damage that occurs during high wind events and hurricanes.

Given that law enforcement is now investigating State Farm for the exact same concerns I raised with you eleven months ago, this problem can no longer be ignored. I strongly urge you to work directly with the Travis County District Attorney's office and share any relevant information that they request or that you believe would aid them in their investigation. This necessarily includes the information that you discussed in your October 26, 2011 letter: State Farm's claim files, claim-handling handbook, protocols regarding unsealed or lifted shingles, and any instructions to adjusters.

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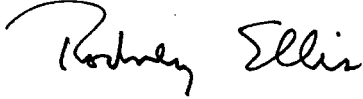
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Commissioner Eleanor Kitzman  
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I understand that these are only accusations at this point and that a full investigation is currently underway. But part of your agency's mandate is to protect Texas families that are served by insurance. Given the severity of the accusations, now is the time to fulfill that mandate.

Sincerely,

A handwritten signature in black ink that reads "Rodney Ellis". The signature is written in a cursive style with a large, sweeping initial "R" and a distinct "E".

Rodney Ellis