



The Senate of The State of Texas

SENATOR RODNEY ELLIS
District 13

PRESIDENT PRO TEMPORE
1999 - 2000

October 24, 2011

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

COMMITTEES:

Chair, Government Organization
Criminal Justice
Transportation & Homeland Security
State Affairs

Dear Commissioner Kitzman:

I write with serious concerns regarding State Farm Insurance Company's handling of Hurricane Ike claims. Specifically, I am referring to State Farm's handling of claims concerning roof shingles that were lifted or unsealed as a result of the hurricane-force winds.

As you recall, after Hurricane Ike ravaged the Southeast Texas region, evidence emerged of the systematic underpayment of legitimate insurance claims for homes, churches, and businesses. I called for an investigation of the Texas Windstorm Insurance Association (TWIA) regarding its abuse of its own insureds by denying payment or underpaying Hurricane Ike claims.

That investigation ultimately led to enforcement action by the Texas Department of Insurance (TDI) against TWIA and its sister company, the Texas Fair Plan Association (TFPA). TWIA and TFPA reached an agreement with TDI in a consent decree issued in July 2011. TDI required those companies to reevaluate claims and pay for, among other things, shingles lifted and unsealed by hurricane force winds on roofs. This enforcement action was necessary, and I applaud TDI for its hard work in seeing that the people of Southeast Texas were treated fairly.

It has now come to my attention that State Farm Insurance Company may have engaged in similar conduct. The information I have reviewed regarding State Farm's handling of lifted or unsealed shingles is very similar to the information that led me to call for the investigation of TWIA and TFPA. I thus call on TDI to investigate State Farm Insurance Company regarding its failure to pay legitimate insurance claims involving lifted or unsealed shingles, among other items, from the damage caused by Hurricane Ike.

I look forward to a written response detailing the results of the investigation.

Sincerely,

A handwritten signature in black ink that reads "Rodney Ellis". The signature is written in a cursive, flowing style.

Rodney Ellis

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