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## **FOR IMMEDIATE RELEASE**

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Mississippi Insurance Department  
Jackson, Mississippi  
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## **Dale Launches Mississippi Mediation Program for Katrina Victims**

Jackson –Commissioner of Insurance George Dale announced today that the Mississippi Department of Insurance (MID) has adopted an emergency regulation for the creation of a mediation program for Mississippi victims of Hurricane Katrina. The regulation became effective Tuesday, December 20, 2005, which means mediation conferences could begin as early as late January 2006.

The program will serve as a non-adversarial, non-binding, alternative dispute resolution procedure designed to facilitate the resolution of claims as quickly and fairly as possible. Mediation will be available to all first party claimants who have a disputed claim resulting from damage to residential property. A disputed claim means a claim in which the difference between the position of the insured and insurer is at least \$500. The regulation applies to the Mississippi Windstorm Underwriting Association, to licensed insurers, and surplus lines insurers that provide personal residential property coverage in Mississippi. If an insured elects to mediate, insurance companies are required to participate in the mediation program.

The emergency regulation does NOT apply to commercial insurance claims, private passenger motor vehicle insurance, liability coverage contained in property insurance policies or to National Flood Insurance Program policies.

“Thousands of residential property claims remain unresolved. In some cases, claims have been denied, and in others, there have been disparities between the repair estimates of insurers and contractors. Insureds with unresolved claims and unrepaired residences continue to face severe hardship. In order to meet this critical need for effective, fair and timely handling of residential insurance claims, the Mississippi Insurance Department has adopted this regulation to help homeowners move forward with the repair and rebuilding process,” said Dale.

The American Arbitration Association (AAA) has been selected by MID to serve as the Administrator to oversee the day-to-day operations of the mediation program. AAA is a non profit organization which has specialized in providing dispute resolution services since 1926. They have over 30 office locations, 700 employees and case filings of approximately 170,000 per year. AAA is cited in 40 federal statutes and regulations and is named in over 300 state statutes and regulations. They have also been chosen to administer a similar mediation program in Louisiana.

The State of Florida implemented a mediation program in 2004 and as of December 5, 2005 they had received 12,160 mediation requests from Florida residents. They have closed 11,925 of those cases with a settlement rate of approximately 93% (includes settlements, partial settlements, and pre-settlements).

Beginning January 6, 2006, insurance companies will mail a notice of the right to mediation to all policyholders who have filed claims. Policyholders must wait 10 days from the date of the notice before requesting a mediation conference. During that period both the insurer and the insured are encouraged to try to settle the disputed claim.

An insured may request a mediation conference in one of four ways:

- By writing the Administrator at:  
American Arbitration Association  
Attn: MS Insurance Mediation  
13455 Noel Road, Suite 1750  
Dallas, Texas 75240
- By calling the Administrator at: 1-800-426-8792
- By faxing a request to the Administrator at 972-490-9008
- By contacting the Administrator on-line at [MSinsmediation@adr.org](mailto:MSinsmediation@adr.org).

A mediator will then be selected by the Administrator from a panel of mediators approved pursuant to the Mississippi Court Annexed Mediation Rules for Civil Litigation, adopted by the Mississippi Supreme Court in 1998. MID will work with the Administrator to develop a mediation panel with appropriate qualifications. The panel will include several former Mississippi judges who will bring a wealth of dispute resolution experience to the program. The list of Mississippi judges participating include: former Federal Judge Charles Pickering, former Mississippi Supreme Court Justice Jim Roberts, former Circuit Judge Ken Coleman, and former Chancery Judge Ed Priscock.

“Mediation, in many cases, is superior to carrying a case to court. It can resolve a matter quicker and with less expense and the parties have more control over the outcome. I am pleased to be associated with Commissioner Dale and AAA in this effort,” said former Federal Judge Charles Pickering.

Former Mississippi Supreme Court Justice and Chair of the Mississippi Bar Association’s Alternative Dispute Resolution Section, Jim Roberts said, “After 35 years in the justice system I have found that mediation is an effective and practical tool in resolving disputes.”

A mediation conference will be scheduled at least 20 days from the date of the request. Administrative and mediator fees will be paid by the insurance companies. There will be no costs to the policyholders. The parties may bring individuals to the conference that are knowledgeable about the issues such as adjustors, appraisers, and contractors. Either party may be represented by legal counsel.

If the parties reach a settlement at the mediation conference, the insured will have three business days to rescind the settlement agreement as long as the insured has not cashed any check issued

by the insurer as a result of the settlement. After three business days, if the insured has not rescinded, the settlement will become final.

For more information on the Mississippi Mediation Program visit the MID website at [www.mid.state.ms.us](http://www.mid.state.ms.us)

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