

The Center for Economic Justice

NEWS

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Contact: Birny Birnbaum, Executive Director
Phone: 512 448 3096, 512 784 7663
e-mail: birny@flash.net

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Consumer Organization Praises North Dakota Insurance Commissioner

Center for Economic Justice Recognizes Commissioner's Poolman's Efforts to Stop Abusive Insurance Practices

The Center for Economic Justice (CEJ), a non-profit consumer advocacy organization, today thanked North Dakota Insurance Commissioner Jim Poolman for his efforts on behalf of insurance consumers.

“CEJ often criticizes state insurance commissioners for not doing enough to protect consumers from insurance abuses. Today, we are happy to praise the work of North Dakota Insurance Commissioner Jim Poolman for his efforts and accomplishments in stopping some of the most unfair insurer practices,” said Birny Birnbaum, Executive Director of CEJ.

Birnbaum cited some of Commissioner Poolman's efforts and accomplishments on behalf of consumers:

- **Action on unfair auto and homeowners insurance claims settlement practices.** Commissioner Poolman developed, and worked with the Legislature this year to pass, SB 2186 which stops insurers from canceling or surcharging policies for consumers making an inquiry to their insurer or for filing a claim because of a weather catastrophe. “Although SB 2186 seems to contain a series of common-sense consumer protections, thanks to Commissioner Poolman, North Dakota consumers now enjoy more protection against these types of unfair claims practices by insurers than consumers in any other state,” said Birnbaum
- **Action on abusive sales of annuities to senior citizens.** Commissioner Poolman broke a five-year logjam at the National Association of Insurance Commissioners (a trade association of state insurance regulators that, among other things, develops model laws and regulations to protect insurance consumers) to get a model law adopted that gives insurance regulators new tools to stop abusive and unsuitable sales of annuities to vulnerable senior citizens.

- **Action on credit insurance ripoffs.** Credit insurance is insurance sold in connection with a loan that pays off the loan if the borrower dies or makes the monthly payment if the borrower becomes disabled or unemployed. While credit insurance can be a valuable product to consumers if priced right and sold fairly, the products are typically overpriced and a consumer ripoff. In 2002, Commissioner Poolman took action to ensure that consumers realize better value from credit insurance. “Commissioner Poolman’s action to lower credit insurance rates in 2002 was an important first step in stopping credit insurance overcharges. While further action is needed, CEJ greatly appreciates Commissioner Poolman’s courage in taking on the auto dealers and banks that make so much money from the sale of credit insurance,” said Birnbaum
- **Action on abusive small face life insurance sales.** Small face life insurance refers to life insurance products with benefits of \$15,000 or less. This is another market where the value of the product in comparison to the price is often very bad for consumers. “Commissioner Poolman again helped break a logjam at the NAIC and has the NAIC on the verge of adopting a model law that provides important new consumer protections for purchasers of these small amount life insurance policies,” said Birnbaum

Birnbaum stated, “We thank Commissioner Poolman for his efforts and accomplishments on behalf of insurance consumers in North Dakota and across the country.

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*The Center for Economic Justice is a nonprofit corporation dedicated to protecting the interests of minority and low-income consumers on insurance, credit and utility matters.
Web Site: www.cej-online.org*