

District Attorney to Investigate AAA

Shawn Steel, JD

The insurance community has been surprised by the district attorney of San Francisco, Arlo Smith, who confirmed "published reports that his office has begun a preliminary inquiry into allegations that the California State Automobile Association (CSAA) has engaged in unfair claims handling and false and misleading advertising practices in Northern California." Mr. Smith indicated that his Consumer and Environmental Protection Unit has "received complaints from CSAA policyholders and their attorneys, contending that CSAA has adopted a policy and routine business practice of refusing to honor the terms of its insurance policies."

District Attorney Smith stated, "CSAA policyholders who have been injured in auto accidents complain that CSAA has systematically refused to pay their medical bills, even in cases where there is no dispute as to liability or questions as to whether the CSAA policy covers the accident."

Included among the specific problems the district attorney will investigate are:

1. AAA unfairly demanded excess documentation of medical claims.
2. AAA unreasonably denied or delayed payment to health care providers whose bills were clearly under the auto policy.
3. AAA delayed investigation and payment of claims by routinely requiring the insured to submit redundant proof of loss statements.
4. AAA prolonged litigation in order to coerce unfair settlements.

In announcing the inquiries, Smith stated, "Californians pay a high price for mandatory auto insurance. Consumers who pay these premiums deserve to get what the insurance companies promise they will deliver -- fast, efficient, and fair settlement of their claims. It would be an outrage if an insurance company extracted high premiums and then systematically refused to honor its contractual commitments to policyholders. If true, such unfair business practices may violate the special duty which California law imposes on insurance companies to deal fairly and in good faith with policyholders and could result in a fine of up to \$2,500 per proven violation of law."

Any aggrieved CSAA policyholder who can document unfair claims-handling practices by CSAA should send a written complaint to the care and attention of Shawn Steel & Associates, at 1255 Post Street, Suite 835, San Francisco, CA 94109 (415-282-9000).

Six specific items are requested by the district attorney's office.

1. Name, address, and telephone number of the victim policyholder of AAA.
2. The date and location of the collision or incident for which they were insured and any policy reports describing the incident.
3. A history of the case, including the ultimate outcome and the nature of the unfair claims-handling practices.

4. The CSAA claim file number (if known), a copy of the CSAA policy, and the name and address of the CSAA adjuster who handled the file.
5. The name, address, and phone number of their attorney.
6. The names, addresses, and phone numbers of any health care providers.

The district attorney's investigation gives doctors a once-in-a-lifetime opportunity to assist in a formal investigation against an abusive insurance company.

Richard Arco, D.C., alternate director of the San Francisco CCA suggests, "Appoint one CA to coordinate the information required by the district attorney. The evidence given to the investigation will help chiropractic and millions of consumers".

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