Jill C. Bentz: That's $65 million in insurance rate cuts
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The word "promise" is uniquely defined as a declaration that an individual will make in anticipation of some future success or good. This promise could not be more true for the insurance industry in West Virginia.

In early 2005, the insurance industry was faced with a series of issues detrimental to its continued ability to conduct business in the state. Member companies of the West Virginia Insurance Federation banded together with their agents and customers to address those concerns.

The federation's key priorities included working with the Legislature to curtail frivolous lawsuits and, at the same time, taking important steps to help curb fraud.

Federation members also recognized that their rates were rising rapidly as a result of increasing litigation costs and that some competitors were leaving the market because of the state's imbalanced legal system.

This instability in the market led to decreased competition and a crisis in consumers' ability to find the insurance they needed at an affordable price.

During the 2005 session, the Legislature took steps to help curtail third-party bad-faith lawsuits. Our state had the distinction of being one of only six states that permitted these types of claims.

Over time, these lawsuits had become so abused that they strained West Virginia's consumers' ability to find and afford basic insurance coverage.

So Gov. Joe Manchin elicited commitments from major insurance companies to reduce their rates by as much as $50 million in anticipation that the legal "fixes" would help to improve West Virginia's insurance market.

Since the law took effect in July, the insurance industry has filed requests with the West Virginia Insurance commissioner for more than $65 million in rate reductions for its customers throughout the state. These rate reductions will be spread out over the next year as West Virginians renew their insurance policies.

In a recent presentation to the Interim Legislative Committee on Insurance Availability and Medical Malpractice, Insurance Commissioner Jane Cline noted that insurance companies had met their promises to reduce consumers' rates.
She confirmed that rate relief in West Virginia was directly attributable to this important legislative action rather than caused by any national downward trends in rates.

The legislative initiatives continue to have favorable results, as both the auto liability and homeowners markets show signs of improving. Companies are offering new products; and we see more and more advertising to attract new insurance business.

Gov. Manchin and our legislators helped to secure the significant rate relief consumers will realize over the next year, but these signs of increased competition and a healthy insurance market will continue to benefit consumers.

Indeed, a stable, competitive insurance market is imperative for West Virginia's future success. The insurance industry is not only keeping its promises, it is exceeding them. 

_Bentz is president of the West Virginia Insurance Federation._