



TRANSPORTATION, TREASURY,
POSTAL SERVICE, AND
GENERAL GOVERNMENT

LABOR,
HEALTH AND HUMAN SERVICES,
AND EDUCATION

Congress of the United States

House of Representatives

Washington, DC 20515-2005

March 1, 2005

Mr. Jerry Jurgensen, Chief Executive Officer
Mr. Steven S. Rasmussen, President and CEO
Nationwide Insurance
Property and Casualty Insurance Operations
One Nationwide Plaza
Columbus, OH 43215-2220

Re: Flood Insurance Policy Number 5219592715
FEMA Claim Reg : # 920538375

Dear Messrs. Jurgensen and Rasmussen:

I am writing on behalf of my constituents, Mr. and Mrs. James Thaden of 1206 Bayview Avenue, Shady Side Maryland who have experienced considerable difficulties and hardship due to the failures within the National Flood Insurance Program (NFIP) and Nationwide Insurance.

As you know, the NFIP has left many families, including the Thadens, unable to rebuild after their catastrophic loss caused by Hurricane and Tropical Storm Isabel. This matter is so serious that many families have now filed for bankruptcy. Others have split up leaving single parent households. The enclosed letter from Congresswoman Davis, recently sent to President Bush highlights many of these concerns about the NFIP problems.

The Thadens trusted your firm to stand behind its commitments. That trust has been broken leaving the Thaden family relegated to slum like conditions, unable to rebuild their home and their lives. Their children are cold in the winter and hot in the summer. When temperatures drop below freezing they are often left without indoor plumbing.

The damage to the Thaden's home was so substantial that county and state officials, as well as several contractors, deemed it a total loss. Nevertheless, Nationwide's adjuster low-balled the Thadens, offering them pennies on the dollar for their claim. It is my understanding from information provided, that these actions are in sync with the investigatory results of pattern recognition and fraud detection expert Mr. Steven Kanstoroom. They are also supported by Mr. J. Robert Hunter, the former Federal Insurance Administrator and Texas Insurance Commissioner. Messrs. Kanstoroom and

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Hunter found flood carriers holding flood payments to a minimum to prevent setting a precedent on their non-flood claims.

It is essential that insurance holders be afforded every opportunity for full and fair payment on their claim. It causes me great concern that there are numerous conflicts of interest with the industry lawyer representing every flood insurance carrier, including Nationwide, also training the NFIP sales agents, adjusters and Inspector General agents. The "low-balling" of claims has been a consistent pattern and totally unacceptable.

I am requesting that this claim be reevaluated and assurance given that the position of your adjusters' work product is valid and not convoluted by other factors. The settlement offered is well under the insurance coverage of the stated policy and far from the intent of the NFIP which directs "restoring flood victims to their pre-loss conditions." This family has made every effort to comply with all of the requirements set by the various agencies involved only to be shut out of what is believed to rightfully theirs. I urge you to look into this matter and provide me with a clear explanation of the circumstances.

Thanking you in advance for your prompt attention and with kindest regards, I am

Sincerely yours,



STENY H. HOYER

Attachment:

Congresswoman Davis' letter to President Bush with Attachments