

To all parties at interest:

The following is based on my actual Insurance Industry experience. And I am compelled to respond to this Part 3 and its misleading statements.

### **BACKGROUND**

I have been in the Insurance Industry since 1965, that's 47 years; since 1977 I have had duties and responsibilities that involved the State of MA; that's 35 years or one year longer than Mr. Golembeski has been President of FAIR PLAN. Since 1991 my work has been solely in MA, living & working on Cape Cod & the Islands in the Insurance Industry.

### **INSURANCE COMPANY HOMEOWNERS MARKET CAPE & ISLANDS 1991 TO 2012**

In 1991 there were about 60 Insurance Companies writing homeowners policies on Cape Cod. By the year 2000 (and mirroring the 1,000 lost American insurers since 1980) half of those companies no longer existed due to Foreign & Domestic takeovers, mergers, failure & even planned failures, insolvency, etc. By 2003 there were only about a dozen companies left writing homeowners policies on Cape Cod. Of those, Andover, N&D, Quincy, Hingham, Patrons, Vermont Mutual, pulled out entirely while at the same time Chubb, Liberty, AIG, CU & Commerce drastically non renewed the majority of their policies; and at the same time Barnstable & Farm Family stopped writing new business and began culling their existing accounts. This happened all at once and in a year, combined, these companies had dumped 120,000 insured's. It was a planned event agreed to by all these companies at the same time. There was nowhere to go but the FAIR PLAN which is actually controlled, run & for all intents, owned by these companies. Both these Company's purpose and planned result was to skyrocket homeowners prices as soon as possible using the REINSURANCE game as the excuse for their actions.

### **THE EXECUTED PLAN**

Their plan was to slowly return to this market once they got the premium to the level they wanted by forcing the 120,000 into their controlled FAIR PLAN, change the Insurance Law (which was approved by gov Romney in 2004) allowing the FAIR PLAN rates to skyrocket...which they did...As stated before and you can check with any insured. A rate of \$800 in 2003 is now between \$2,000 & \$3,000 today thanks to their planned pullout, forcing 120,000 into the FAIR PLAN, change the law as done in 2004 and pump up the prices with help from the Foreign Reinsurance Cartel-who gives them huge kickbacks. In fact, with every FAIR PLAN increase the remaining & dribbling returning companies raised their rates to be near the FAIR PLAN rates. As of recent months the few policies being written by private Insurers are usually higher priced...slightly over the FAIR PLAN.

### **SOME THINGS HOWEVER DON'T WORK OUT AS PLANNED**

The industry failed to anticipate a few things. The first was the uprising of the citizens of Cape & Islands (even though 80% of the Insured's are only here a few months of the year...which was part of the Insurance Industry's calculations). The second was the efforts of Attorney General Martha Coakley & her Staff to stand up for the citizens and fight the Insurance Industry. The third, and the jury is still out on this one....did Lloyd's of London pull a fast one by making the same Reinsurance cheaper for its Underwriters while charging more to the American Insurers? Thereby allowing Lloyd's to sneak in and grab 20,000 plus policies at a lower price than the Americans & the FAIR PLAN? Or was this a side agreement between the Americans & the British in exchange for playing the Reinsurance Pricing-Kickback Game? As I stated before...this needs a Federal Investigation....And maybe these American Insurers had not counted on the voracious insatiable appetite to keep raising Reinsurance premiums by the Swiss and Offshore Foreign Reinsurance Cartel who now has both these American Insurers and the homeowners by the throat and can raise prices at will.....Even with the up to 10% kickbacks (\$5 Million to FAIR PLAN in 2011) \$10 Billion or more to all American Insurers last year..... at some point the pricing of premiums are simply unsustainable. And this is happening all across America. Has our American Insurance Company Oligopoly (of course now Commerce is owned by a Spanish Bank & Fireman's Fund by a German Ins Co) sold out for REINSURANCE KICKBACKS from the Foreign Reinsurance Cartel & allowed Trillions of our dollars to leave America for ever? IT APPEARS SO....(of course our electric co NSTAR is owned by the British too...but that is another story.) Isn't the Glass-Stegall repeal great?

### **A CONFLICTING POINT**

Golembeski admits to the family inspection service being in operation since 1994. And it is his family: son, daughter, son in law & daughter in law. This is a serious conflict of interest that never should have been allowed NOR CONDONED by the Insurance Company run FAIR PLAN. Makes one wonder what else goes on here? Millions of dollars of citizens homeowners premiums have gone to this family firm.....and it is a serious conflict of interest.....for many other reasons...This demonstrates just how far down the dumper ethics has slid in the Insurance Industry. 40 years ago such a situation would have resulted in Mr. Golembeski's termination in any insurance firm or operation...are we so numb to even dare to state such a conflict is appropriate?

### **NO REINSURANCE PAYMENTS**

Again, we have sent nearly \$1 Billion dollars offshore to Reinsurers via all Cape Insurers these last seven years and not one dollar has been paid back....We should have kept that money here if our Insurance Company industry and our Insurance Regulators, Governments, etc were acting and operating with the best interest of the consumer in mind....

### **ELECTRONIC CLAIMS ADJUSTING SYSTEMS**

And we have not even talked about how these systems can be manipulated for fraud such as a fake property and a fake claim just as the Mortgage Electronic Registry System MERS has been manipulated for fake mortgages by the banking industry....and with CITIBANK involved in MERS while it owned TRAVELERS (a FAIR PLAN board member).

### **CONCLUSION**

The Insurance Industry & the Foreign Reinsurance Cartel are raising prices and will continue to do so because they simply can do it and get away with it. Insurance Commissioners will continue to rubber stamp price increases for them as they prepare for their next career position in the Insurance industry.

America and its citizens are taking an unnecessary beating on these Insurance issues. The World Trade Organization and the FREE GLOBAL Trade Agreements are not working to American's Benefits but to our detriment...certainly with respect to Property insurance. (and this does not include Health Insurance Reinsurers....its the same players as in Property Reinsurance)

Focus on the average citizen who can't afford these excessive premiums and an America that is being deteriorated financially.

There are simply too many RED FLAGS here....A joint State & Federal investigation is required to get to the bottom of this State, National & International Insurance plot that has successfully extracted \$TRILLIONS of financial assets from our State & Country and it is overdue that we finally do something to end it & clean it up.

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