

# Contingencies

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## Truth in Advertising

**R**HONDA ORRIN'S ARTICLE IN THIS ISSUE ("Vase or Two Faces? Policyholders and Insurers View Their Coverage") looks at the disconnect between what insurers think they're covering and what insureds think is covered. Most of the time, says Orrin, it's left to the courts to make the connection.

This reminds me of a recent TV commercial. (Please, bear with me here.) It's the one in which a little girl is visited by the tooth fairy. Except that instead of a blithe sprite flitting around her bedroom, this tooth fairy is an overweight, middle-aged guy in a tutu trying to squeeze through the window. And instead of bringing money to leave under her pillow, he comes with a clip board and checklist of qualifications about the kind of tooth she's lost and why it's not worth as much as another kind of tooth.

The commercial is supposed to be about a credit card company. But I'll bet there are people out there who thought it was going to be about their insurance company.

Why would that be? Because so much of insurance advertising leads people to expect the tooth fairy, when it's the overweight, middle-aged guy who shows up instead. Insurance companies insist on portraying themselves as saints and saviors rather than as businesses. And when they can't be the saints and saviors they purport to be, they end up in court.

It's almost as if insurance companies think that if they were actually straight with people, nobody would buy insurance. I beg to differ.

Let's say somebody opened up an insurance policy and found this in the small print:

"We're an insurance company. We're in business to make a profit, and we're not going to pay your claim unless we absolutely have to. Nothing personal, but that's the way it is. There are a lot of people who try to make us pay claims that we shouldn't have to, and we

have to be very careful. If we paid everybody's claim, the fraudulent as well as the legitimate, we might not have enough to cover all the legitimate claims. And who wants to waste money by paying criminals?"

"Now, we're not saying you're one of those people. We know you're not trying to cheat us. You have a legitimate claim. But is it a claim that's covered by the insurance policy you bought? We wrote this policy very carefully to make sure it covers only what we want it to cover. If we exclude coverage for water damage and a hurricane floods your house, we'll pay to replace your missing roof but not your soggy carpet. That's just the way it is.

"If the claim's legit and the policy covers it, we pay you what we owe you, whether you've paid only one premium or a hundred. If it's not or it doesn't, we won't."

Or something like that. It may not bring a tear to your eye, but it does tell you where everybody stands.

At the risk of sounding like a TV junkie (I'm not; honest), another commercial comes to mind. This one is local to Baltimore, a cheaply produced ad for a guy who buys houses, mostly "distressed properties." He buys them as is. "Don't bother listing," he says. "I'll buy it. My goal is to earn a small profit..."

OK, so maybe the "small" part is disingenuous. But at least he's not promising to fulfill your dreams, provide the keys to lifelong happiness, or even make you feel good. He's in it for the money; take it or leave it.

Nothing personal. ●