



The Honorable Kevin Eltife
Texas Senate
P.O. Box 12068, Capitol Station
Austin, TX 78711

The Honorable Matt Schaefer
Texas House of Representatives
P.O. Box 2910
Austin, TX 78768

Re: SB 1628 and HB 3646

Dear Senator Eltife and Representative Schaefer:

I am writing to respectfully ask your consideration in opposing SB 1628 and HB 3646. I would like to tell you of my problems dealing with my insurance company. If these bills were to pass, they would limit the badly-needed protections for policyholders like me.

On May 1st, 2011, a hail storm passing through Tyler, Texas damaged the roof of the Quality Inn Conference Center. This damage went un-noticed by myself and my staff as we are not professionals in either the roofing business nor are we engineers. It was not until a few leaks started occurring in our facility that the General Manager on the property called in a roofing company to inspect and determine the course of action to fix the leaks. On January 29th, 2013, a Sworn Statement in Proof of Loss was signed and notarized claiming property loss on May 1st, 2011 at approximately 10:30pm.

The insurance company, Merchants National Insurance, sent out an adjuster to verify the claim. Upon his verification, the insurance company decided to disagree with his determination and sent out another adjuster. This second adjuster also verified that hail damage had occurred on the roof and that the policy should be paid out. From their offices in New York, Merchants STILL denied the coverage and decided to send an engineer out to look at everything. Upon inspection, the engineer confirmed what the other adjusters had agreed to, and the adjuster assigned to the claim started to make a determination on the total loss and replacement cost of the entire roof. In October 10th, 2012, the adjuster estimated the total replacement cost at approximately \$366,191.29.

Many business owners, like me, pay tens of thousands of dollars every year to insure our facilities because damage such as this can be costly. We try our best to serve our customers and take great pride in the businesses we operate. Nothing is more disheartening than being on the short end of this stick. As a hotel in your community, my job is to provide accommodations for guests to our community. Thousands of visitors come through our hotel each month. These guests come for work, leisure, travel, and they spent countless dollars supporting local businesses. We expect nothing less than 100% guest satisfaction from our employees. But, imagine how hard it is to motivate your staff when the condition of the hotel suffers due to the roof leaking. So many facets of the hotel cannot be upgraded due to the roof leaking. Weddings and corporate events are held at the hotel's 4600 square feet of meeting space with damaged ceilings and louds drops of water disturbing everybody. My reviews have dropped the property from one of the top 10 in the area to the bottom 10. It's a shame that we cannot provide better for them because our insurance company decides they can disagree with professional assessments.

Merchants National Insurance decided to shirk their responsibility as an insurance carrier by trying to find every technical detail they can find. They initially felt that the roof was damaged prior to the policy period, but retracted once we showed them the inspection fee they charged and it became clear they inspected the entire property before binding coverage. Now, they feel we sat around knowing the roof was leaking and decided to not do anything about it. Fortunately, we maintain records that show no active roof leaks were found between 2010 and 2011. It was not until 2012 that we began noticing drops of water leaking through certain areas of the roof.

It is a complete disregard for responsibility which lets Merchants National get away with such behavior. Such actions within the hospitality industry would put me out of business immediately with my customers because of the legal rights they possess to ensure I provide a safe, working facility. It is my understanding that if SB 1628 or HB 3646 were the law, an insured in my position would have little or no recourse against the insurance company. Based on my difficulties getting this claim paid, I respectfully suggest this is no time to weaken the rights of policyholders or to increase the power of insurance companies to avoid paying valid claims.

Sincerely,

A handwritten signature in black ink, appearing to read 'Manu Lail', with a stylized flourish at the end.

Manu Lail
Managing Partner

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