



GEO-TECH IMAGERY INTL.

January 23, 2008

Hall of Justice
District Attorney's Office
330 W. Broadway
San Diego, CA 92101
Att: District Attorney Bonnie M. Dumanis

Subject: Criminal Complaint Against Wawanesa Insurance

District Attorney Dumanis,

I appreciate the response of Mr. Levikow, and his assistance with communicating with you. I made approximately 5 phone calls and spent over 2 hours on hold, or being shuffled from one department to another. No one was interested in hearing about, or pursuing a complaint of felony criminal conduct against an insurance company. Multiple requests for a sit down meeting with appropriate personnel, to review extensive written and visual evidence, initiate an investigation, and sign a complaint, were rejected. It was continually suggested that I should contact the insurance commission, which will be done, regarding multiple violation of the insurance codes. However, criminal violations against citizens of San Diego County are the responsibility of the District Attorney's Office.

I am a former police officer, with a more than average knowledge of the law. More important in this case, I am also a professional geologist and geotechnical litigation consultant, with more than 20 years of experience investigating and documenting damage related to homeowner insurance claims, both for and against homeowner insurance companies.

The only reason this extensive documentation exist, is Wawanesa Insurance did not expect to be dealing with a homeowner, with my background and experience. Wawanesa did not expect a homeowner that understood the geotechnical issues, the legal issues, and the required responsibilities of insurance companies. They did not expect a homeowner with the professional expertise to document everything, and then provide written notifications to Wawanesa of all errors, omissions, and illegal conduct. Illegal conduct that included multiple written, signed documents, that contain felony violations of California State Penal Code Section 550 (b).

In mid October 2006, concrete foundation cracks and structure damage developed in the Master Bath and Bedroom area of my home. I immediately recognized the high probability of a water leak, and filed a claim with my homeowner insurance. I also, immediately set up a full documentation program, as I knew from past experience, that I had a 50/50 chance that my insurance company would not investigate the claim in accordance with California State Laws. Unfortunately, for my family, the 50% was against me, and my insurance company and it's employees, did in fact, actively restricted and obstructed the investigation to insure that no covered loss would be verified. Each time evidence was detected that could lead to a covered loss, the investigation would be shut down and a new letter of denial issued.

Over the course of a year three (3) letters of denial were issued by Wawanesa Insurance, with ever changing, and new previously undisclosed exclusions, that misrepresented material facts already in their possession. Multiple letters of denial were necessary, as independent expert consultants that I had retained to monitor the claim investigation, proved each unsupported cause of denial to be false. This was not that difficult, as the insurance company had not authorized the work necessary to determine the cause of damage, and to provide the data and physical evidence to support stated exclusions. Many cited exclusions were in direct conflict with their own policy coverage, and their own consultant's reports. We are all more than familiar with the old shotgun effect in civil litigations, however, an insurance claim investigation is not a civil grab bag, as clearly defined by the insurance codes and the California State Penal Codes. Many of these written and signed misrepresentations of material facts are in direct violation of California State Penal Code Section 550 (b), and are felony crimes. A good case can even be made for conspiracy. Wawanesa Insurance was advised in writing, with documentation, that various statements were misrepresentation of material facts. These notifications were ignored, and the same misrepresentations reissued, and expanded in the next letter of denial.

Over the years I have observed many instances where an insurance companys have easily gone to District Attorneys and filed criminal complaints against a policy holder, with little to no resistance. This is definitely not the case when an individual citizen approaches their District Attorney's office with a complaint against a Homeowners Insurance Company. Why is that? Your obligations under the law are the same to both parties.

So, if my documentation is so good, why not file suit? Easy, any good attorney will tell clients that the majority of the time, the cost of litigation will exceed the recovery. The insurance companies have crunched the dollar numbers long ago, and clearly understand what an advantage this is over policyholders. The vast majority of citizens don't even know when their insurances company lies to them, and cannot afford our civil legal system even if they do know they have a legitimate claim.

The insurance companies and their consultants of choice are not stupid, just greedy. There is huge profit in denying legitimate claims, and insurance companies have found from experience, that DA's, as a general rule, will avoid investigating this type of criminal conduct. So in a manner of speaking, DA's

have become part of the problem. If you are not familiar with the insurance industry concept of "Controlling Loss Severity", you should take the time to research a little.

Many of the homeowners in San Diego County, that are victims of the October fires, are walking into a meat grinder with many of their insurance companies. It is not good enough for the District Attorney or their staff to say, I'm sorry, we're overworked, or short on staff, or too involved in the prosecution of other criminal activity to take the time to protect it's citizens from unscrupulous corporations.

I want a level playing field for my family, and the same legal protections and rights as those extended to insurance companies. Wawanesa Insurance did not stop with violations of the insurance codes. They proceeded with well planned, written, signed, criminal violations of the California State Penal Code.

As a citizen of San Diego County, I want to file a complaint, and I expect an appropriate investigation from the District Attorneys office to verify, if a homeowners insurance company is involved in felony criminal conduct to defraud any of its policyholders of legitimate insurance benefits. The written and visual documentation is extensive, and cannot be properly covered in short phone conversation, or an overview of documents. Any good investigator also wants to get a look at the complaining party, to evaluate credibility and knowledge of the crimes. Does the documentation support the eyewitness statements? Is the victim believable, and will he or she make a good witness?

If you feel that I am filing a false complaint, or providing false information, there is also a provision in the law for that. It is criminal conduct to do so. I respect and follow the law, and I expect those around me to do the same. My signed document will follow via UPS.

Respectfully Submitted,

Woodrow L. Higdon