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HEADLINE: Insurance companies back **grass-roots** movements

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BODY:

Mar. 5--Borrowing a page from consumer groups that reach out to the masses to sway lawmakers, two major insurers are backing **grass-roots** efforts to bring about major reforms in home and auto insurance regulation.

Don't let the names fool you.

The muscle -- and money -- behind Floridians for Lower Insurance Costs is State Farm, which insures one out of every five cars in Florida. It opposes efforts to extend Florida's no-fault auto insurance law.

ProtectingAmerica.org is the brainchild of Allstate, the Northbrook, Ill., insurer. After the devastating 2004 hurricane season, the company began working to build a coalition to better prepare Americans to deal with natural disaster, says Edward T. Collins, Allstate's managing council and national director for the organization.

"This isn't an insurance issue. It's a consumer protection issue. It's homeland security. It's a national economics issue," adds Collins.

The group is lobbying for the creation of a national catastrophe fund to serve as a back-up to any state catastrophe funds already in place, similar to the one created in Florida after Hurricane Andrew hit in 1992. It's also advocating mitigation.

Allstate has invested about \$1 million in this effort so far, says Collins. The call for a national cat fund isn't new -- it was first floated after Andrew -- but it now has new momentum.

The past two storm seasons "taught us that there's no state or industry that has the capacity to rebuild a region entirely by itself," says George Grawe, Allstate Floridian's executive vice president for government relations in Florida.

A big addition to Allstate's group has been State Farm. Together, the two companies insure more than 50 percent of all the homes in this country.

The group also includes more than 60 state agencies, emergency managers, government officials, nonprofit

environmental and minority groups.

The group has taken out full-page ads in The Wall Street Journal, hoping to educate consumers on the issue and point them to its website.

State Farm is still in the go-it-alone mode in its effort to eliminate portions of the state's auto insurance regulations. This session, Florida lawmakers will decide whether to continue the no-fault provision in the state's auto insurance law, which mandates medical coverage for drivers and their passengers.

Mark Delegal, State Farm's top lobbyist in Tallahassee, says the company believes it needs to build a broader coalition for its position because there's no consensus among insurers.

Plus, there are powerful groups with big stakes in this debate including doctors, clinic owners, hospitals and attorneys.

"It's an uphill battle. That's why we needed voter support," Delegal says.

For now, State Farm is the main support behind this effort, willing to put in "what's necessary to get the desired results," he adds.

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