Biography

George Dale was born in Gulfport, Mississippi, in 1940. Growing up, Mr. Dale attended Prentiss schools. He went on to attend Pearl River Junior College and Mississippi College, where he received his master's degree. Mr. Dale served in the Moss Point School System from 1962 to 1972. He was administrative assistant to Governor William “Bill” Waller from 1972 to 1975. In 1976, Mr. Dale became the Commissioner of Insurance for the state of Mississippi, a position he held up until 2007. Currently, Mr. Dale works as the Senior Public Policy Advisor for the law offices of Baker, Donelson.

Mr. Dale attends Northside Baptist Church in Clinton, Mississippi. He enjoys sporting events, running, and his work. Mr. Dale has received an honorary doctorate from Mississippi College, and was inducted into the Insurance Hall of Fame by Mississippi State University and the University of Mississippi. He has also received the J.H. Johnson Award from the Professional Insurance Agents Association of Mississippi.
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AN ORAL HISTORY

with

GEORGE DALE

This is an interview for the Mississippi Oral History Program of The University of Southern Mississippi. The interview is with Commissioner George Dale and is taking place on July 7, 2006. The interviewer is David Tisdale.

Tisdale: This is David Tisdale with The University of Southern Mississippi Center for Oral History and Cultural Heritage. Today is July 7, 2006, and today we have Commissioner, State Insurance Commissioner and State Fire Marshal George Dale with us. Commissioner, thank you for joining us today.

Dale: Thank you.

Tisdale: First of all, tell us a little bit, how long have you been commissioner of the state, State Insurance Commissioner?

Dale: I was elected insurance commissioner in the summer of 1975. I took office in January 1976. I’m into my thirty-first year as commissioner of insurance, been elected to this position eight times. I am the longest serving insurance commissioner presently in the United States.

Tisdale: And you’re a native of Prentiss, is that right?

Dale: I grew up in Jefferson Davis County, six miles north of Prentiss, graduated Prentiss High School, graduated Pearl River Junior College, graduate of Mississippi College, and did some graduate work at The University of Southern Mississippi and Auburn University, with fifty-six hours above my master’s degree toward my doctorate which I will never complete.

Tisdale: Speaking generally to start off, where are we in Mississippi at this point coming from Hurricane Katrina? Can you talk a little bit about what were our losses, and I guess if you can talk about insured and uninsured losses that we initially estimated following the storm, whenever you were able to gather the data to make those assessments?

Dale: Well, there [is] a lot of [misunderstanding] on the Mississippi Gulf Coast relating to what was the damage done by wind driven water, so therefore it’s excluded from a standard homeowner’s policy and a lot of people are caught into that. But Katrina was a big storm. People forget that as far north as North Mississippi, there were counties that had over a million dollars worth of losses. My county, Hinds
County, had several million dollars worth of losses related to Hurricane Katrina. We hear mostly of what happened on the Mississippi Gulf Coast, but Katrina was a statewide loss. Coahoma County, which is in the Mississippi Delta, had over 500 claims resulting in over a million dollars in losses relating to Katrina. That shows you the magnitude of this storm and the effect it had on the entire state. It is by far the largest disaster ever to hit the United States, far exceeding Hurricane Andrew that hit Florida in the 1990s. Katrina was in a class by itself. It was far bigger than Camille. Most of us always related Camille as the storm of all storms.

Tisdale: A kind of standard.

Dale: The standard to go by. But Katrina far exceeded Camille. People forget that the Gulf Coast area has hurricanes; it’s just part of the landscape that we deal with. But people forget that these storms are different. Only two hurricanes have ever come during daylight; that was Frederick and Katrina. Most all hurricanes that hit the Mississippi Gulf Coast hit it at night; it’s the strange phenomenon of a hurricane. Only two storms have had water surges; that was Camille and that was Katrina. There are about four things that have to be pretty well lined up for it to be a water surge. For instance, when Frederick hit in 1979, the water surge was less than three feet, so it was not a water problem. You had wind damage and it was covered or it wasn’t covered. Camille and Katrina, the question was water. Some estimate that the water surge in certain areas of the Coast was as much as twenty-eight to as high as maybe thirty-two feet. The tides have to be exactly right. The moon has to be a certain way. You have to have water flowing into the Bay. There’s a number of things that have to be lined up and that creates a tsunami, similar to what we had in the Eastern Countries of the world. And pretty well Katrina not only was a real tough wind, but it was a very water-related storm.

Tisdale: Can you put a rough estimate on monetary damage for losses that you’ve used in terms of your presentations to public town hall meetings or groups that you’ve spoken to?

Dale: As of June the sixth, statewide total claims filed, which includes insurance companies, the wind pool, the national flood insurance [program]—the total number of claims was 476,515 claims. As of June the sixth, total amount that has been paid out is over 10.4 Billion Dollars as of June the sixth. We’re doing this interview the first week in July. That amount has raised considerably and it goes up every day.

Tisdale: OK. Going back a little bit, what’s your role as commissioner in this scenario?

Dale: Probably the most misunderstood job in state government is Commissioner of Insurance. The general public thinks that the Commissioner of Insurance is to tell insurance companies that they’re to pay all the claims. It just didn’t exist that way. My job is to regulate the insurance industry. The regulation of insurance industry is to be sure that the contract that they have that is approved is adhered to. Be sure that the
company is financially sound, that they can live up to their obligations, and to license and in some ways police the employees of the insurance companies in a way that they do business and the way that they handle claims, and so forth. But the general public thinks the bottom line is George Dale could make State Farm and Allstate pay my claim if he would. It just doesn’t work that way. Doesn’t work here. Doesn’t work in any state in the nation.

Tisdale: Go back a little bit, if you would, to the wind-driven versus flooding issue, and what are, you know, what, you know what, say a homeowner, I guess if we use an example, homeowner’s got hurricane insurance, don’t have flood insurance, and right now is that the biggest conflict we’re seeing in terms of people who are wrangling with insurance companies down there about, you know, getting a settlement, you know, or their argument is that the flooding was wind-driven, and my understanding is that the insurance companies are saying those, you know, this is just a wind damage and the flooding isn’t, the flooding is flooding and you should have had flood insurance. Is that, is that where the big conflicts are right now? And maybe if you could relate that to some of the mediation program that’s going on right now as we’re sitting here in College Hall, there’s some of that going on upstairs on the third floor, or here on the third floor as we speak. Is there a relationship to that in terms of what the conflicts are?

Dale: I’m asked by national media outlets that I’ve done interviews with, “How would you rate the insurance industry response to Hurricane Katrina?”

Tisdale: That was going to be another question I was going to ask.

Dale: And my answer is if you eliminated the wind versus water controversy based on the size of this storm, the insurance industry would’ve gotten good marks with the way they’ve handled claims statewide. We practically [never get calls from claims off the Coast]. Our claims pretty well—our consumer assistance division pretty well, now our calls continue to center around the wind versus water issue. The insurance policy that we have approved and is approved in practically all states is what’s called an ISO Policy, Insurance Services Organization, which is an organization that files model policies for insurance companies and in that, it says that the homeowner’s policy covers a number of things, but it says some exclusions, and one of the exclusions is water, whether or not driven by wind. So the question on the Coast is at what point in time did the water do the damage to the house? Were there tornadoes that hit and did the damage before the 32-foot tidal wave came in? Did the wind do damage to the roof, to the house before the water came in? So it becomes a finding of fact. We issue guidelines to the insurance industry of things to go by in making that decision. Such things as if there are people who rode the storm out, if you had eye witnesses’ accounts, we told them to, the insurance industry that they had to do on-site inspection of the risk. They couldn’t just say this whole neighborhood was done by water so we turned down all the claims. They had to physically [do] onsite inspection and adjust every claim.
Tisdale: Case by case instead of a blanket.

Dale: Case by case. We listed a whole number of things in which we requested, required that the insurance companies to do. We are having today people contact us back and saying the insurance company at your request has been out and looked at my risk for the third time, and they’re now saying that maybe it was wind, we’re able to pay more, and through the efforts of the Mississippi Insurance Department more claims are being paid. But there still are those that have not been paid.

Tisdale: What would you estimate out there now that’s still, percentage, that are still wrangling with the companies?

Dale: There’s no way to know that. I’m asked that regularly by some of the news media, “What is the average percent of the claims paid?” and data such as that. We don’t break it out that way and don’t have those figures, and to know how many that’s still out there that hadn’t been paid, I wouldn’t know that. I can get access to the number of lawsuits that are being filed. At the Mississippi Insurance Department last year we averaged about 15,000 calls a year that people calling in to the department, Consumer Assistance Division with a problem with their insurance. That’s usually for a twelve-month period. In October and November last year, those two months, which was the months after, pretty well after the storm, the number of our calls our Consumer Assistance Division averaged, it ended up being around 7,000 for October/November, which means that we got almost half the number of calls in two months that we’d gotten for an entire year through the Consumer Assistance Division. And we took information, we contacted the company, we tried to get the company to go back and look at the risks, and we were successful in some cases. Then if that failed, then the second thing we did, we implemented a mediation program which is ongoing now where over 2600 people have signed up for mediation, and that amount grows almost daily, and if mediation fails, then the last thing we would suggest that people do is they go and discuss it with an attorney of their choice.

Tisdale: In this situation with the mediation, is there, and I’m not asking you to take sides at all, I’m just, what I’m just curious about is a person who comes in who has a case, and the way I see it, and correct me if I’m wrong, you know they’re looking at, “OK, I can, you know, do a mediation and go ahead and get some results now so I can get some repairs done and get the ball rolling, and but maybe have to settle for less than what I may have anticipated or believed that I should get or I’m looking at, you know, years down the road with a lawsuit.” Do the insurance companies sort of have an advantage in that?

Dale: There always is that possibility. For instance, I contacted an insurance company on behalf of a judge friend of mine’s brother from the Coast and the guy went to mediation, had all of his facts, had his brother, the former judge, with him, they represented before the mediator. A few weeks later I called the insurance company and they said, “Well, we settled the judge’s brother’s claim. He wasn’t happy and neither were we.” So mediation sometimes is some giving on both sides’
part. If you go to mediation it means that the insurance company has made an offer that is not satisfactory, and to go to mediation, possibility the consumer can get more most of the time. Whether or not it is as much as he anticipated getting and whether or not he can settle for that amount, some can, about 85 percent of those who have signed up for the mediation have settled and closed their cases. Whether or not they were completely satisfied, I doubt some of them were and I could understand that.

**Tisdale:** Some of the—talking about lawsuits, could you, would you mind elaborating a little bit about the suit or the claims that Senator Trent Lott, for example, him being most notable because of his very public aggravation with what happened to his own home, and I think, you know, it seems that, you know that sort of kind of got the ball rolling with him and I think it was in the *Sun Herald*, he jokingly referred to his no-good brother-in-law, Dickie Scruggs, who he was going to work with to sue State Farm. But what, can you comment on what some of the law, maybe data or what were some of the lawsuits there, are there lawsuits where you got like several people grouping together to go after one particular insurance company like State Farm or maybe Travelers, or another is that do you think this mediation program is helping to alleviate the possibilities of those getting, you know, out of hand?

**Dale:** To go back, in the first week after the storm, I faced the news media and I said, “This is an awful storm. There are going to be a lot of losses. There are going to be a lot of claims. Some of the claims are not going to be paid because they’re related to water. Certain facets of water is not covered under a homeowner’s policy.” You would’ve thought I had come out against motherhood and the flag, the hate mail, the editorials, the letters to the editor accusing me of being in bed with the insurance company. About a month ago, Judge Senter, federal judge, issued his opinion based on some of the lawsuits and his opinion pretty well said the same thing I had said the first week of the storm, that is the insurance companies’ policy, insurance policy, can exclude water. So I felt vindicated in that all I did the first week of the storm was tell the truth, even though the truth was, was hurtful. It didn’t mean that I didn’t want people’s claims to be paid on the Coast, it didn’t mean that I didn’t want insurance companies to pay water-related claims, and in some cases they did, no, that was not at all. I was just spelling out what the policy said and that’s—

**Tisdale:** Preparing them for what to expect.

**Dale:** —that’s what I attempted to do. Senator Lott, Congressman Taylor, some other political figures on the Coast had losses. They felt like that their losses should’ve been covered. The insurance companies said the losses were caused by water, which is excluded in the policy and denied the claim. So in the case of some of these people, they chose to go ahead and file a lawsuit against their insurance carrier to try to show that the policy should have covered their losses.

**Tisdale:** I think Senator Lott’s comment in the newspaper was that his roof was over in his neighbor’s yard and that couldn’t possibly have been water driven, was some of his comments in an article, I think, according to what I read in that article was what
had inspired him to move forward. But what about a couple of things, folks who
didn’t have any insurance and then another thing is I think it was Congressman Taylor
who had proposed a, I think it’s Congressman Taylor who had proposed allowing
people to buy into flood insurance kind of retroactively, if I remember that correctly.
What about those issues?

Dale: I appeared before the Editorial Board and I was asked the question of
Congressman Taylor’s proposal to allow people who did not have flood insurance to
go back after the fact and purchase flood insurance and the flood program to pay their
claim retroactively, even though at the time of the storm they did not have flood
insurance for whatever the reason. My comment was that’s the only proposal that’s
out there at this time and so even though I felt like it was flawed, it makes the same
sense if my wife died and after she died, I think I’ll go buy life insurance on her life.
It just doesn’t work that way. But yet that was the only program that was being
discussed at that time. Since then there have been other proposals that have been
implemented. One of which is one that Senator Cochran came [up with], the grant
program that is being implemented through the governor’s office of a grant up to, I
think, $150,000 that a person can use towards the rebuilding of their home. So there
are, there are several programs out there that’s being implemented by the federal
government.

Tisdale: I guess the next question that I think is probably on everybody’s mind is
premiums going up. And you know one thing that I’ve heard from different people,
just in passing conversation, is that, who are aggravated about the potential for
premiums going up, is that they’re saying, OK, you know, the insurance companies
are going to see a loss in Mississippi and Louisiana after this, but that nationally
they’re making a profit and they feel like, you know, it’s unfair for them to, you know,
to raise these premiums in these two states when nationally they’re still doing well. Is
that, is that it?

Dale: I hear this term that got out there that insurance companies last year had record
profits. Nobody has verified where that statement came from.

Tisdale: Right and I haven’t verified that, I’ve just heard this in passing from people.

Dale: It is being kicked around there. All I can tell you is in the filings in my
department, in the Mississippi Insurance Department, for the last five years in property
insurance, based on the premiums taken in, claims paid out, most property insurance
companies did not make a profit in the state of Mississippi. A CEO of a major
insurance company told me, “My company has lost money in the last five years in the
state of Mississippi, and now we’re hit with Katrina. We’re scratching our head and
asking the question: Why do we continue to do business in Mississippi when even
before and without Katrina we didn’t make any money?” The general public doesn’t
see those things. I have access to those figures. Mississippi is not a good state to do
business with as it relates to property insurance. Twenty-four percent of the total
insurance writings in Mississippi are in the eight—six coast counties. Twenty-six
percent is in the metropolitan Jackson area. Another 24, 25 percent are in what we call the counties along the Tennessee border, the growth area up there.

Tisdale: Hernando, Southaven?

Dale: So then you’ve got the other part of that scattered around throughout the entire state. We are not a very populated state. Insurance is the law of large numbers and of those three major insurance areas that we have, one of those areas is under a threat every year of major, major losses. So to offset their losses down there, there’s no way to pass it on to the other part of the state because we just don’t have that many people to pass it on to that could reduce the cost of it. I saw just yesterday, CBS did a story in yesterday’s news about the cost of insurance in the state of Florida. We have not reached that point yet in Mississippi.

Tisdale: Going back real quick, could you explain the wind pool concept, what that is?

Dale: After Camille hit in 1969, every company that wrote property insurance on the Mississippi Gulf Coast pulled off, quit writing, except USF&G [United States Fidelity & Guaranty]. USF&G Insurance Company doesn’t even exist today. So as people began to start trying to rebuild after Camille, they realized “we don’t have insurance; there’s nobody to write new buildings and homes.” Governor John Bell Williams, then Governor John Bell Williams, called a special session of the Mississippi Legislature and they implemented what was referred to as the Coast Plan. The Coast Plan was a state-run, basically, insurance entity that the taxpayers were to pretty well foot the bill for, along with the premium payers. In 1987, the Legislature did away with the Coast Plan and substituted in place of that the Mississippi Insurance Underwriting Association, or better known as the Wind Pool. The Wind Pool exists just for those people in the six coast counties that have tried everywhere to find insurance on their buildings or their homes, and nobody will write it, so then they are put in what’s called the Wind Pool. Now, they can get their fire insurance, their liability insurance, and other parts of their homeowner’s insurance with, say, Allstate Insurance Company, but they can’t get the wind. So Allstate will X the wind and they become a member of the Wind Pool. The Wind Pool’s rates probably are, are higher than a standard insurance company’s rates. There were 16,000 people or businesses in the Wind Pool prior to Hurricane Katrina. The Wind Pool Board had access to 175 million dollars to pay claims with when Katrina hit. They thought that was sufficient. The claims went through that 175 million like it wasn’t even there and ended up being approximately 730 million dollars of claims. So that meant about 400 million dollars of claims were filed with no money to pay the claims. The law says that when the Wind Pool cannot honor its obligations to pay claims, then they are to assess all other property insurance companies that write business in the State of Mississippi. So they did that to recoup that 400 million dollars to pay the claims of the people, of the 16,000 people of which 15,600 had filed a claim, those 745 million dollars in claims. So those claims were paid. Then the Wind Pool said, “We can’t afford for this ever to happen again.” So they went out and bought, not 175 million dollars worth of
reinsurance, but 350 million dollars worth of reinsurance. But rather than it costing 8 million dollars for that 175 million dollars worth of reinsurance, the cost of that 350 million dollars of reinsurance became 42 million. So the Wind Pool Board had to borrow 42 million dollars from the bank. So now the question is, where do they get that 42 million to pay off that bank note? Do they go back and assess the companies that write people in Grenada and Tupelo again as they did for Katrina, to pay the claims, or do they charge it to the people who have chosen to live down there? So that’s the dilemma that we’re in now.

**Tisdale:** Going back to those that are uninsured, you talk about there were some grants available for rebuilding, is that right? What are their options, if any?

**Dale:** What had happened is that the Federal Flood Administration had done maps and listed people as in flood zone. Unfortunately, those maps had not been updated since the late ’80s. So you had a number of people that were told that “you’re not in the flood zone.” So they chose not to purchase flood insurance. And meet maybe in some cases where even could’ve been told by their insurance agent, “you don’t need flood insurance because you’re not in the flood zone.” Well, it was determined after Katrina that that flood zone, the flood maps were so outdated that a number of these people who had severe water damage were outside the flood zone. So the governor was able to secure some grants for those people who should’ve been in a flood zone but were not in a flood zone, and so therefore didn’t have flood insurance, and those people are eligible for the grant money through the governor’s office.

**Tisdale:** It’s pretty safe to say that those people who are on the Coast choosing to stay, choosing to rebuild, they’re going to see premiums going up.

**Dale:** It would be. It’s not become a dilemma of how much this has cost, it’s going to be where can you find even to buy. No later than yesterday I was dealing with the City of Biloxi. The City of Biloxi put their property insurance out for bid. They searched twenty-two markets to try to find insurance for the City of Biloxi. They had only one market that would write them and the premiums were several times higher than they were last year. If it had not been for that one market, the City of Biloxi would not been able to have found insurance. Insurance is being driven now by the reinsurance markets. Insurance companies buy insurance; it’s called reinsurance. They have to have reinsurance to be able to stay in business. If you had a storm the size of Katrina and insurance companies didn’t have insurance for those big losses like this, they would’ve all gone broke.

**Tisdale:** So they’re insuring, essentially insuring themselves.

**Dale:** They’re insuring themselves and they purchase reinsurance from Lloyd’s of London, General Re, Munich Re; they’re international insurers, are from the Bermudas. Those reinsurers are telling the American insurance industry “reduce your exposure in disaster-prone areas, plus for us selling our product to you, we’re going to raise the rates,” and so it becomes a pass-through through the American insurance
industry. And so the reinsurers today are driving the whole face of the American insurance industry.

**Tisdale:** What’s been your biggest challenge, personally, during all this? I know you said that you had, you know, lived through Hurricane Camille when you were serving as assistant principal at Moss Point High School. Will you share some thoughts about that time and maybe talk a little bit about, you know, Hurricane Katrina and, you know, has this been, would you say this has been your biggest challenge as state insurance commissioner and fire marshal?

**Dale:** In 1969, I was assistant principal at Moss Point High School. We had just had our second child; Donna was three weeks old when Camille hit in September of 1969. My job was to keep Moss Point High School open as a storm shelter for people that wanted to come there. It was the longest night of my life. Two or three of the teachers and I had our families out in the PE [Physical Education] Building right next to the gymnasium. We put a blanket over my daughter’s crib so the breaking glass wouldn’t hit her. We sat in the doorway of the PE Building and watched the roof of the gymnasium look like it was breathing. It would kind of go up and down with each thrust of wind, thinking that the next [thrust would blow it off.]

**Tisdale:** At Moss Point High.

**Dale:** So we sat there and we watched that wind and listened to that wind all night long till about four o’clock the next morning it subsided. And I remember getting in my car and driving down to Main Street, Moss Point, and as the car lights opened up the view down the Main Street, Moss Point, I’ve never been in war, but my first reaction was this is a war zone. Little did we know, as bad as it was in Moss Point, we were almost sixty miles from the eye of the storm which hit in Pass Christian which is the same place the major thrust of Katrina hit about the same way. So we were involved in cleaning out from under, of that there in Moss Point and then we also participated in carrying food over to the Biloxi area. It knocked out a whole section of the Ocean Springs/Biloxi Bridge, as Katrina did. It just did much damage; killed over 200 people in the storm. It was an awful, awful storm. Then after the storm subsided, the issue came of, did the wind come before the water? If it did, you have coverage; if the water came before the wind, you had not coverage. The insurance industry took a black eye on the Gulf Coast, as they’re doing now. Senator Kennedy, Senator Muskie from Maine, and some other United States congressmen came to the Coast and held hearings. Drew Pearson, who was a well-known commentator, nationally known, had never done the same story back-to-back. Well, he did three straight stories about Hurricane Katrina and how awful the insurance industry had treated the people on the Coast.

**Tisdale:** Oh, Camille.

**Dale:** Camille had treated the people on the Coast. The insurance industry just received an extremely black eye. Then Commissioner Walter Dell Davis, who was
commissioner at that time, was criticized so much by the general public that even though he had been very popular and ended up serving twenty years as Commissioner of Insurance and had been elected with big numbers the five times that he had been elected, chose not to run for re-election in 1971, because he just felt like that because all the bad press he’d gotten from Camille. He chose not to run for re-election. Most insurance commissioners after a major storm or hurricane such as this don’t want to fool with it again. They just many times don’t run for re-election. The commissioner in Louisiana, Robert Wooley quit in the middle of, shortly after the storm, he just had had enough.

**Tisdale:** Shortly after Katrina?

**Dale:** After Katrina he quit. They now have an acting commissioner of insurance, Jim Donelson, that’s doing that. Most commissioners, once you go through a storm, a major hurricane with all the frustration you deal with in trying to get companies to pay claims, trying to get companies to continue to write, and then dealing with mad people on the other end, it’s constant, all day long of that, most people just say “life’s too short,” and they don’t choose to do it again.

**Tisdale:** How do you feel?

**Dale:** At this point in my career, I feel very comfortable because I know in my own heart of how hard our department has worked in trying to be helpful. We’re beginning to see some good things begin to happen down the road.

**Tisdale:** And that Mediation Program option has been successful.

**Dale:** Mediation is one. And people begin to realize that maybe there were some other factors involved of my problems such as not enough contractors, not enough people to do the work. If everybody on the Coast received their money today, paid in full, they couldn’t rebuild their house because not enough people to do the work, there’s not enough [places] for the workers to live.

**Tisdale:** And the material, I guess, is hard to access.

**Dale:** And a lot of other factors. We, as a society, we want instant relief from what our problems are.

**Tisdale:** We’re a microwave society (laughs).

**Dale:** When there wasn’t instant relief, well, then they had to lash out at somebody and that was usually me, my department.

**Tisdale:** A lot of blame going around now when you look at the some of the reaction, too, just federal government, state government, even charities to some degree. But,
you know, there’s a worse side of people, some really good, too, in terms of the people who came down here to volunteer. Do you have any thoughts about that?

Dale: My thoughts?

Tisdale: The response we got from outside?

Dale: What I tell people is that if it had not been for the churches and faith-based organizations, some people on the Coast would’ve starved to death based on information I’ve gotten from some of my family and friends from the Coast. Government is just so big and cumbersome, and so ineffective. They just stumble over themselves as was the case in many cases down here. And while that was going on, you had the churches and faith-based organizations filling in the gaps and they’re continuing to do that. I was up-hearted by, during the spring holidays, a couple of days I was on the Coast driving and on Pass Road and Biloxi/Gulfport area and you see houses and businesses and you saw young people on roofs roofing buildings, you saw young people, college students going in and out of houses cleaning them out and doing all that [work.]

Tisdale: The alternative spring break.

Dale: Because on spring break, rather than going to Acapulco or wherever they go to do whatever they do, many of them chose to come to the Mississippi Gulf Coast and work and help people. You know all the work that the churches did. My little church in Clinton is a real small Baptist church. We’re affiliated with the Corporate Baptist Fellowship, which is a small union of usually smaller churches. We went together, pooled our resources and hired a person, a missionary to work full time in the community of Pearlington. Pearlington is a community that everybody forgot about. It’s south of I-10.

Tisdale: I saw that on CNN that they did a special on them being kind of off the radar (laughs.)

Dale: The last body that was found was found in Pearlington. About 80-something percent of the homes were destroyed down there. So our church, through our mission efforts, worked full time and have continued to work in Pearlington. You found those type stories up and down the Coast on a regular basis.

Tisdale: Talk a little bit about some of the anecdotal—some of those stories you’ve heard from—and I’m sure you’ve heard thousands, I know, of people coming to you to get some help for their situation. What are some of the—I mean this has all been pretty tragic, but is there anything that’s humorous or bizarre that stands out in your mind in that you say, well, I think I’ve heard every story but this one tops it all?

Dale: I wouldn’t really put one top of it. The interesting thing is the reaction of some of the insurance agents down there. The insurance agents in some cases like Dave
Truetel of Truetel Insurance Agency in Bay St. Louis lost his home, lost his business, so he opens up his insurance agency in a tent in Wilma, or was it Rita, the storm that [came after Katrina?]

**Tisdale:** Rita that followed up.

**Dale:** Rita came up and blew his tent away, so there he was for the third time, that he had to start over. We were on the Coast right after the storm and a number of the insurance agencies, Moss Point Insurance Agency, Tommy Delashmet in Moss Point had six feet of water, just completely destroyed his computers and his records, and whatever, and he had to [operate his agency]. Within three days, he was seeing people, trying to help them with their claims. You had that going all up and down the Coast. You had insurance agents, adjusters that were brought in here by the companies, there was no gas, there was no place for them to stay, many of them were sleeping in their cars trying to handle people’s claims. They were dealing with frustrated people and, in many cases, [mad people.] We heard a case where some adjusters began to have to work together in groups for safety purposes. One restaurant put a sign in their front door. They said, “We don’t serve anybody associated with insurance companies.” The feeling that the public had of lashing out at adjusters was terrible, and all they were trying to do was do their jobs. We had one case where a guy allegedly had a gun pulled on him and he was concerned for his own safety in trying to deal and adjust the claim, and they were just trying, attempting to do their job. So it was a very difficult time in our history.

**Tisdale:** I had heard that the State Farm office in Long Beach had a couple of armed guards at their door to protect them, so I guess that’s testament to that concern that maybe had been for their own safety.

**Dale:** People were mad and they took their being mad out on whoever was available, and then when they could, then they passed that on up to us.

**Tisdale:** Is insurance going to be unaffordable on the Coast for the average person in the foreseeable future or is it an issue where you’re just not going to see the residential development that we used to know on the Coast?

**Dale:** I can’t read the future. All I know is in the late ’70s I began to go to Destin, Florida, to take my young family at that time and have gone to Destin, Florida, most every summer since that time. When I first started going to Destin, Florida, there were homes, small businesses, mom-and-pop businesses down close to the water down below Highway 90. You go to Destin, Florida, now and you will see a community with strip malls, you’ll see a community with a lot of condos and newer buildings that are built close to the water. The general public that used to live down on the water now are moved back further off the water. Will that be what the Mississippi Gulf Coast looks like? I don’t know. Bay St. Louis and Pass Christian were such quaint little villages down there right on the water. Will they be able to rebuild to look like they did prior to Katrina, I don’t know. There’s a societal question that somebody’s
going to have to ask and that is for the guy that lives on the side of a mountain in California that every eight years the mudslide’s going to put his house in the Pacific Ocean or the guy that chooses to live in the forest in Wyoming or Colorado that the forest fires may burn his house or business every so often or the guy that chooses to live on the Bay in Bay St. Louis that every thirteen years there’s going to be some type major storm. Should we make insurance companies write insurance on those people that live in harm’s way? Or better still, should the taxpayers be required to pick up the tab for flood insurance, earthquake insurance for persons who tend to live in harm’s way? According to the last census, approximately 50 percent of the American people have moved in the last decade to within fifty miles of the water. We are a water-loving people. But how are we going to continue to do that and provide affordable insurance for people who chose to live in disaster-prone areas? That’s a societal question that George Dale’s not going to answer.

Tisdale: You know, I’ve talked with friends of mine about, you know, and I share that love for the water and with so many of mine friends who love to, you know, go down to the beach for whatever reason, or live down there, and you know I’m saying, well, what, you know, it seemed like maybe the solution would be to have, I hate to use the expression “disposable home,” a structure that you could live in but that you can make peace with losing it if you, you know, choose to be on the Coast and, you know, maybe, maybe not have insurance on it, but it’s just something, I don’t mean a trailer, but just something that’s just, you know, just a small structure that is livable but yet you enjoy the amenities of being on the Coast. Have you heard people talk about that or is that something that’s possible?

Dale: The National Association of Insurance Commissioners, which I’m involved in, has three possible solutions proposed. One is that we implement an “All-Perils Policy” that is, a policy that covers flood, covers earthquake, covers these things that have pretty well been excluded, but that the person in Montana and Iowa be required to pay a little bit more for their homeowner’s insurance so that the people in harm’s way, earthquakes and floods can afford their insurance. Insurance is the law of large numbers; you spread the risk, spread the risk throughout the United States. They will quickly say, “Well, that’s their problem. They live down there— they’ve chosen to live there, let them pay for it.” But yet you look on the other side of that; there’s an awful lot of agricultural subsidies that go by these states that some people on the Coast could care less about agricultural subsidies. So we all are Americans, so we’re going to have to make some sacrifices for people to be able to live where they want to; so that’s one proposal, All-Perils Policy. The second proposal is some type of federal backstop for people who live in harm’s way. For instance, after 9/11 the federal government passed what’s called, the act called Tria. Well, Tria was an act for terrorism; that is, if you insure your business or if there is an act of terrorism that happens, once the losses get to X-billions of dollars, then the federal government becomes the insurer of last resort for that. For instance, if there’s another skyscraper that is knocked down, then the federal government, as they did after 9/11, would step in and back up the insurance industry once they pay the extent of what they’re required to. So the federal government backstop is the second thing. Third thing is
we as regulators require insurance companies to put up reserves. There’s certain amounts that we require based on the size of the company. Insurance companies could put up more than the minimum that’s required by the regulators to prepare themselves for these big disasters, but they don’t put up more reserves than needed because the federal tax laws are so negative that it penalizes a company if they put up more reserves than is required by the regulators because of the anti-tax burden that they would have. So that’s the third proposal we’ve had. That bill has been introduced for several years by a congressman from Florida, but that’s our three proposals that the National Association of Insurance Commissioners were looking at.

Tisdale: Last few questions. What are you telling Mississipians now to get ready for this next season?

Dale: What I tell Mississipians are to start looking at their insurance plan early, don’t wait till it gets time to be renewed. Shop around, look early. Insurance is cycles; hard markets and soft markets. We’re going into an extremely hard market where rates are going to go up, insurance is going to be hard to find; it’s called a hard market. But insurance companies are a lot like a bunch of geese; you let a couple of them start in a particular direction, the rest of the geese kind of follow along and then they break away and go another direction. That’s the history of insurance. In this hard market, we’ll go through this hard market for a while and then you’ll see these high rates begin to kind of level out and then you’ll see them to kind of come down. So as I told the officials with the City of Biloxi yesterday, take that policy, the only one you’ve offered, hold your nose, pay the premium, hope that we don’t have another storm this year and maybe one next year, then you can expect the rates to level out and possibly begin to go down. It’s a lot like you’re flying an airplane and the pilot comes on and says, “We’re going through some turbulence.” You buckle your seat belt as hard as you can, you get through the turbulence, you get on the ground, and you prepare to fly next week to go somewhere; that’s insurance. We’re now in that turbulent period, but we’ll get through it and then it’ll level out.

Tisdale: Last question. What are your thoughts about the Coast recovery economically? And you made reference to getting through a couple of seasons without a hurricane. Do you think that might be what some developers are looking at? And I know this may be not so much insurance, although that’s a part of that, do you think we’re kind of looking at people, developers, whether it’s residential, commercial or business, kind of, you know, looking at, you know, OK, we’ll get through this summer and maybe the next summer we’ll be a little bit more confident about going in and going big guns in terms of developing, do you think that’s the case? What are your thoughts about the future?

Dale: The week after the storm I did an interview in Gautier, Mississippi, with the television station and possibly a couple of newspapers, and one of the statements that I made was that because of the insurance monies, the government money, the grant money, the development monies, the Mississippi Gulf Coast will face an absolute economic boom. And I said if I was a carpenter in Montana and I had a hammer and
nails, I’d come to the Mississippi Gulf Coast. I made that statement the first week after the storm. You’re seeing today an up-spike in sales tax. Governor Barbour just announced that we have a 60-million dollar surplus because of the jump in the sales tax, so my prediction after the storm is coming true. Yes, you’ll see an economic boom on the Coast because you’ll have more money to spend, more money in circulation for a while.

Tisdale: Oh, and one more, one more question. You’re also the state fire marshal and I think you had some information about the response of the state fire crews following the storm. I think you said in Waveland there were some heroic efforts from fire officials there.

Dale: Interesting thing that while the storm was going on, one of my deputy fire marshals, David Dry, from the Coast, called me on a regular basis and he was in the fire department in Waveland while the storm was going on, and gave me a blow-by-blow account of the storm, and it was scary. I did some of that with my brother-in-law in Pascagoula and the last conversation we had with him was “The water is getting up so high, we’re going upstairs,” and his phone went out, so we didn’t hear from him till the next day. But after the storm subsided, the governor immediately looked for some ways to send people in to look and do search and rescue. They called the Mississippi State Fire Academy, which comes under me, and we immediately mobilized some of our employees at the Fire Academy and were some of the first people on the ground to do search and rescue after the storm. We had to get military-type vehicles to get into the Coast. The second wave that went, it was our state fire coordinator, Larry Barr, mobilized. In fact, he had this mobilized before the storm even hit; some of the volunteer firemen in South Mississippi and other parts of the state that were mobilized to go in. So, our department, through the fire marshal’s office and the Fire Academy was right on the front lines in the search and rescue. The insurance industry had been mobilized prior to the storm. If you remember, we thought Dennis was going to hit. We had mobilized the insurance industry. We had adjusters that were in all the motel rooms in North Alabama ready to come in when Dennis hit. But if you remember, Dennis kind of fizzled out. And then somebody said, “Oh, look, at the other side of Florida there’s this little old depression called Katrina and it’s coming across South Florida but it’s about a level one.” So we really weren’t concerned that much about Katrina. We didn’t really suspect Katrina was going to be bad until right there at the last minute it began to increase in the warm waters of the Coast and it wasn’t until the last minute we really saw how bad Katrina was. And probably since we’d had a false alarm with Dennis, we didn’t react as well as we should have.

Tisdale: And that turned on us pretty quick, too.

Dale: Yes, it did.

Tisdale: Can we look for you to run again as commissioner in a few years or are you still considering?
**Dale:** I’m looking at it. I enjoy my job very much. One part of me says yes, I want to run because I want to prove that I was right and I want to prove that you can go through a storm of this size, and people realized that he said the right things, he didn’t mislead the public, he did his job. One side of me says to do that. The other side of me says, what have I got to prove? Thirty-one years doing this, eight elections, only one time getting less than 70 percent of the vote. What else have I got to prove? But I thoroughly enjoy my department, hearing from people who say, “Your department helped me.” I never get tired of that and that really makes me run.

**Tisdale:** Do you think you feel like you’ve got a job to finish? Maybe this recovery’s going to be going on for a while.

**Dale:** The recovery will go on for a while. No later than two days ago I sat down with two top officials with State Farm in trying to negotiate with them to keep them in the marketplace, to plead with them to continue to write, to try to influence them to continue to write insurance in our state. I said when the storm hit I had two jobs; one, to try to get as many claims paid as we could, and thus far there’s over 10-billion dollars of insurance claims has been paid. And the second is to try to maintain an insurance market when the Coast starts to rebuild. Now we’re in, moving into that second stage. We’ve got to have an insurance market. And I think because of one of the facts of me being around for so long, I do have a relationship with CEOs of these companies and people, the decision-makers that I can pick up the phone and try to negotiate, to pressure, to encourage them to continue to write in our state.

**Tisdale:** George Dale, thank you for your time and for doing this interview for the Center for Oral History and Cultural Heritage’s Katrina Project.

**Dale:** Thank you.

(end of interview)