

March 13, 2015  
In Support of Senate Bill 314  
Testimony of Jerry Morgan, Klamath Falls, OR

Thank you members of the Committee, my name is Jerry Morgan my family has owned and operated Boyds Wholesale Meats in Klamath Falls for over 65 years. For the past 2 ½ years we have been fighting to get the insurance coverage we've paid for and the battle continues to this day. My family and I have gone through hell and it's just about brought us all to our breaking point.

On August 30, 2011 I got that dreaded call – our warehouse was on fire. I could see the smoke billowing from my house. My wife and I rushed to the scene. There had been 3 other arson attempts on our building, but this time they succeeded. Even though these attempts were well-known by local law enforcement I was brought to the police station and issued a lie-detector test because of the down economy in Klamath Falls. I passed it. They rounded up and questioned all our employees, but investigators quickly summed up they had nothing to do with it. I called Kemper Valley Casualty, who we've been with forever. This was the first time we've ever filed a claim for serious damage. And this was a total loss. The Adjuster said I had to "hand write" every item lost in the building and write down exactly where it was. I told her I had before-and-after pictures, but she said that wouldn't cut it. We were already off to a bad start, so I hired a rep from Adjusters International to help me process this huge loss. Everything was being denied and the insurer kept sending us on a wild goose chase, demanding more and more information on the losses. I spent thousands of hours researching every item that was in that warehouse, price + depreciation. It was ridiculous because everything I supplied Kemper Valley with, they just flatly denied. They said I mixed commercial and personal items in the warehouse, so they didn't have to pay my claim. My AI representative, Randy Gower, said that beef was false since I bought excess liability on the policy about 40-50 years ago for this very reason.

Meanwhile the city was on my case to clean-up the site because the building was still smoldering and was being looted daily for copper and tools. I paid out-of-pocket to get a fence up and secured with locks, but the looters used wire-cutters and were right back in. I couldn't sleep. This was my family's legacy being picked off by mice piece by piece. Clean up was going to cost about \$50-60,000 and Kemper Valley was dragging their heels and not helping with a cent. 6 months later and with the help of Randy Gower from AI, we submitted the final inventory of damage and loss -- nearly \$3 million. They denied the whole thing. That's when I hired a lawyer to try to bring some order to this chaos. Kemper Valley used every trick in the book. They tried to accuse me of "stalling" over the handwritten vs. typewritten inventory demand. They sent their own independent fire investigator up from San Francisco and his own forensic report said the fire was the result of arson. Still denied.

And let's not forget some of what I lost had been in my family for generations. There are memories tied to that building and in that building. Still, I know I'm lucky. Because we had family savings to see us through and not completely bankrupt the business and our family members. This battle went all the way to a jury trial where I had to sit through defense council calling me a lying, cheating, thief.

A 12 person jury said we won this case – but Kemper Valley is calling for an appeal. We just want to go on with our lives and it seems as if they'll stop at nothing to not have to pay for the coverage we have been paying for decades. We are stretched out to the max, financially and emotionally. Please pass this bill so no other Oregon family has to go through something like this.

Vote Yes on Senate Bill 314. Thank you.