

# Chicago Daily Law Bulletin

Volume 150, No. 224

Monday, November 15, 2004

## Amicus Curious

### He has nose for rooting out insurance fraud

By BILL MYERS  
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The insurance industry claims that insurance fraud costs consumers \$18 billion per year.

Rick L. Hammond says he's working on it.

Hammond, 53, an equity shareholder at Johnson & Bell Ltd., concentrates his practice on property insurance coverage and bad faith litigation.

His career as a lawyer is an example of the unintended consequence.

"Actually I went to law school to boost my insurance career, with no intent of practicing law," Hammond said.

"Shortly before graduation, I was introduced to a couple of law firms that practice in the insurance law and defense area and decided to give it a shot and figured that I could always go back to the industry if I liked it. I haven't looked back."

A native of the South Side, Hammond had spent 15 years in the insurance industry, working his way up from claims adjuster to head of the Chicago office of the Illinois Department of Insurance.

Born and raised in the Park Manor neighborhood on the South Side, Hammond was the youngest of four children. His father, Albert, was a skycap with United Airlines and his mother, Marcelle, was a teacher.

After graduating from Hales Franciscan High School, Hammond enrolled at Southern Illinois University in Carbondale. He graduated in 1973, with a major in graphic arts and design and a minor in Spanish.

He said he took a career in insurance because he loved "the analytical challenges" it offered, but he added that practicing law gives him a chance to use all of the skills he acquired while working in the industry.

"Practicing as a coverage lawyer blends every experience I've had in the past," Hammond said.

Besides sitting on numerous boards, Hammond also writes a quarterly column on insurance-fraud law for the newsletter of the International Association of Special Investigative Units. The association honored Hammond for his contributions at a seminar on insurance fraud earlier this year.

The insurance fraud column is not the only way Hammond scratches his itch to scribble: He is also the editor-in-chief of IDC Quarterly, a magazine of the Illinois Association of Defense Trial Counsel and he runs a Web site,



Rick Hammond

located at [www.insurancefraudlaw.com](http://www.insurancefraudlaw.com).

He is also author of the 2002 book, "Good Faith/Bad Faith: An Overview of the Insurer's Duty to Properly Investigate Suspicious Fire Claims and Conduct That Causes Allegations of Bad Faith."

Although insurance fraud probably began about the same time as the insurance industry, Hammond says technology continues to change the way frauds are perpetrated and investigated.

He likens the practice of insurance-fraud law to a very fertile flower.

"There are many issues and legal doctrines that develop in one state and will start blossoming to other states," Hammond said.

One such question that is beginning to percolate through the state courts is whether one spouse can be held liable for the other spouse's fraud, Hammond said.

"It hasn't been decided in all states. Those types of issues will arise and will begin to blossom in the bad-faith area," he said.

Hammond says that even though he takes his advocate's role seriously, he still tries to approach his work analytically.

"I think that one of the most important aspects of handling or working on insurance fraud-related matters is to keep an open mind

and not to prejudge a claim or person because many times you may think one thing and the truth is completely different," he said.

"So I think that it is very important that a person is objective. You can't do this kind of work effectively and have biases or prejudgments about people or a class of people," Hammond added.

That attitude has served him well, said Rodney P. Fisher, a claims sections manager for State Farm Insurance Group who has been a loyal client of Hammond's since 1990.

"We have followed him wherever he went because he is valuable as counsel. He doesn't sugar-coat things. [He doesn't] tell me what he thinks I want to hear. [He] tells me what I need to hear," Fisher said.

And even if he didn't know it to be true, Fisher said he would have guessed that Hammond had a background in the insurance industry.

"He understands insurance. He's very personable. You roll all those aspects together and you've got somebody who can make a difference for you," Fisher said.

For example, most policies require insurance holders to submit to an examination under oath in an insurance investigation. A lot of attorneys confuse such examinations with depositions, when, in fact, they are an excellent investigative tool, Fisher said. Hammond, the former claims investigator, uses the examinations with aplomb.

Fisher recalled a case from the early 1990s when his company suspected that a DuPage County couple had arranged to have their home torched while they vacationed in India. When the company refused to pay their claim, the family sued.

Beating back such a suit — essentially, proving that the plaintiffs committed fraud — is very difficult in any case, because most of the evidence is circumstantial, Fisher said.

"It's not easy to convince a jury that an otherwise normal family would have someone burn down their house — you have skeptical juries, skeptical judges. But we won," Fisher said.

After a week-long trial, the jury came back for State Farm within 20 minutes, Fisher said.

"And I had jurors coming up to me in the hallway afterward saying, we support you. We think you're doing the right thing. You can't get moments like that without an attorney like Rick Hammond," Fisher said.