

Down to Business

By Eve Bohakel Lee

Risky Business

Deer Park resident Richard Michelson has been to what many people consider the Dark Side – and lived to tell the tale. “In 1989 I got my license and started selling insurance,” he says of his time working in Humana’s accounts receivable department, collecting claims. He followed the money to commercial property and casualty insurance. But in 2001, he sold his book of business and set out to do something different, using the knowledge he’d gained as an insider for the insurance industry.

Michelson made his living writing estimates for insurance companies and received his adjuster’s license in 1999, but rarely used it until he followed his interest in storm-related disasters to Florida and the Gulf Coast. “We had Hurricane Katrina in ’05, and I was in New Orleans for almost a year.” Seeing the devastation and insurance-related insult to

injury moved Michelson to representing policyholders in a completely adversarial role as a public adjuster. “I really didn’t like the way the industry was treating the policyholders,” he says. “I’d think someone would be due \$100,000, and the insurance companies would hack it down to \$50,000.” Since then, Michelson has exclusively represented policyholders. His secret weapon? “I understand the angle the insurance companies try to play. If you’re sick, you go to the doctor. If you have an insurance claim, you go to public adjuster.”

As a Highlands resident since 1995, Michelson (pronounced Michael-son) has a special appreciation for the area-specific buildings and the concern about possible repair or replacement in the event of a disaster. “Older homes present special challenges,” he says. “The building components in a 70-year-old house are something you can’t buy at Home Depot. You can’t buy three-quarter-inch oak

wood flooring there, and that’s where a lot of dollars are lost.” His job as a public adjuster is to get the insurance companies to pay out for comparable materials. “What if you have an exotic molding from an extinct gum tree? I might go to my claims adjuster program and find that the standard baseboards are \$4 per foot, but \$15 per foot for that.”

It’s somewhat surprising that there isn’t a huge industry in public adjusting, but the need certainly is there. Michelson founded his company, RISCO (an acronym for Risk and Insurance Services Company) in 2006, with the purpose of selling business insurance again, but he soon found himself so drawn back to his Katrina experience he decided to put his whole heart into the job. “I had the background, but for a while I never knew there was such a big need for this,” he says. RISCO currently operates in eight states, with Michelson traveling around the country handling the claims himself.



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Insurance negotiator Richard Michelson lives in the Deer Park neighborhood while traveling for his company, RISCO, which operates in eight states. Michelson was photographed here at a property he was inspecting on Bardstown Road.

So, how would a policyholder come to work with Michelson? "There are two ways," he explains, putting himself in the shoes of a claimant. "One – say a tree just crushed my house. If I try to negotiate the claim on my own, I'm not going to get as much money as I should. You want to pull an expert in – there are so many nuances, so many little things [such as] negotiations with adjusters and the whole language. People can wind up getting an attorney, and if they litigate, the claim is going to drag on for a long time.

"Second – somebody has a claim. A tree hit their house and split it in half. They negotiated the claim and got \$25,000. I may find you an extra \$25,000," such as with the aforementioned example of the rare components. "That's a sweet spot in the claims." If the client has already received a settlement (or an offer of one), Michelson makes his commission off percentages of the additional monies recovered – or nothing at all if it doesn't work out.

"I don't represent the insurance companies anymore, so I can sleep at night," Michelson says. "I know where the battles are because I used to work in an insurance industry, and I love a victory and to do well by the little guy."

Michelson hasn't forgotten his roots by any means, either, and loves living in the Highlands and representing his neighbors. "I was a Highlands kid. My dad grew up on Speed Avenue, and when I was a kid, we owned Mario's Pizza at Duker and Bardstown (now Cafe Metro)," he says. "I've always loved the park and that's how we ended up here."

Michelson's company, RISCO, is online at www.getrisco.com. You can reach him at (502) 299-2631 or via e-mail at richard@getrisco.com. *

Eve Bohakel Lee looks askance at the oak trees towering over her house and hopes not to have the opportunity to cross paths with any insurance company. She can be reached at leecopywriting@gmail.com.



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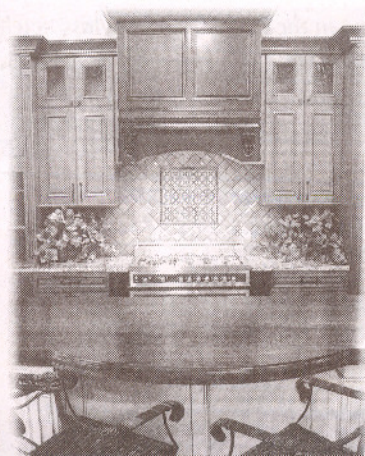
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