

JAMES, HOYER, NEWCOMER & SMILJANICH P.A.

ATTORNEYS AT LAW

Jill Henniger Bowman
Tamra Carsten
Christopher C. Casper
Christa L. Collins
Mark S. Fistos
Amy K. Guinan
Judy S. Hoyer
W. Christian Hoyer
Bill James (Ret.)
Gregory W. Kehoe
Kathleen C. Knight
J. Andrew Meyer
John R. Newcomer, Jr.
Jesse L. Ray

ONE URBAN CENTRE, SUITE 550
4830 WEST KENNEDY BLVD.
TAMPA, FLORIDA 33609
(813) 286-4100 FAX (813) 286-4174

3301 THOMASVILLE ROAD
SUITE A200
TALLAHASSEE, FLORIDA 32308
(850) 325-2680 FAX (850) 325-2681

www.jameshoyer.com

Terry A. Smiljanich
Elaine Scudieri Stromgren
John A. Yanchunis

Investigators:

Larry Dougherty
Barbara Madden
Frank Martelli
Allen H. McCreight
Michael D. Mihok
Rob North
Jim Ross
Alfred W. Scudieri

**FOR IMMEDIATE RELEASE
JUNE 2, 2006**

**Questions, contact Christa L. Collins
(813) 286-4100**

Allstate, Minority Customers Reach Settlement in Texas Insurance Scoring Lawsuit

TAMPA, Florida, June 2, 2006 ³/₄ Attorneys representing Allstate's minority customers announced a nationwide settlement today, regarding allegations of racial discrimination in insurance pricing, that was preliminary approved by a federal judge in Texas.

"This is a very important settlement," said lead plaintiffs' attorney Christa Collins of the law firm James, Hoyer, Newcomer & Smiljanich PA. "Credit information is used extensively throughout the entire insurance industry. Allstate has agreed to change the way it uses credit information to price insurance. We believe this change significantly benefits Allstate's minority customers."

The case, filed in 2001 in U.S. District Court, Western District of Texas San Antonio division, was brought by six individual Allstate customers seeking to represent a nationwide class of African American and Hispanic individuals who were issued automobile and/or homeowners' insurance policies by Allstate-affiliated companies. The plaintiffs alleged that they were discriminated against in violation of federal civil rights laws, including the Fair Housing Act, by being charged higher premiums based on Allstate's use of credit scoring.

"In addition to changing its credit scoring system, Allstate is implementing other significant programs like an appeals process to help customers whose credit has been adversely impacted by certain extraordinary circumstances like domestic abuse or loss of employment," said attorney Collins.

More specifically Allstate will undertake the following actions under the terms of the settlement agreement:

- Allstate will roll out a new insurance scoring algorithm.
- In states where Allstate uses information from credit reports to rate policies, Allstate will provide its customers with the opportunity to have an insurance policy priced using its new insurance scoring algorithm.
- Allstate will make its new insurance scoring algorithm publicly available.
- Allstate will deliver a comprehensive credit education program to class members, which provides valuable information, including the many different types of business transactions where information from credit reports is used today and how class members can improve their credit position.
- Allstate will adopt an appeals program under which all customers who experience extraordinary events that negatively impact their credit history information can potentially obtain premium reductions.
- Allstate will increase the substantial percentage of its national media spend devoted to targeted multicultural marketing in its continued efforts to make the widest range of consumers aware of its insurance products.
- Class members will be entitled to apply for a one-time monetary payment. Eligibility for this payment will be determined based on a comparison of the insurance scoring group assigned to his or her Allstate policy and the insurance scoring group assigned under the insurance scoring algorithm that will be implemented pursuant to this Settlement.

James, Hoyer, Newcomer & Smiljanich PA is an investigative law firm that represents individuals, organizations and governments. The firm's website is www.jameshoyer.com .