



Statement to *NOW* at PBS

The questions posed to us by *NOW* imply its story will repeat a number of tired, unsubstantiated and discredited allegations by trial lawyers who have an economic interest in fostering conflict between consumers and their insurance companies. In fact, in reviewing the book in which these allegations first appeared, *Business Week* magazine wrote, "Berardinelli's book is certainly a partisan one, written to support 'bad faith' lawsuits that he and other attorneys have filed against Allstate alleging mistreatment of policyholders." On seven separate occasions, these allegations have been aired in the unbiased setting of a court of law and have been shown to be without merit.

Having failed to prove their case in court, trial lawyers are now taking these discredited allegations to the media and seeking to apply them to the Southern California Firestorm of 2003. Accuracy and balance require *NOW* to acknowledge the economic motives behind the trial bar's attacks and distortions against the industry. They also require that you acknowledge the incredible work our company did following the California wildfires in meeting our customers' needs in a difficult time.

Here are the facts your viewers need to know about Allstate, its claims handling practices and its response to the tragic Southern California Firestorm of 2003:

- Allstate responded quickly and effectively to the Southern California Firestorm of 2003. Our adjusters were on the scene within hours of the fires' outbreak, helping customers immediately start the recovery process.
- We received 3,665 claims as a result of the fires, with just over one percent going to court. More than half of those cases have been dismissed. In the only lawsuit based on the 2003 wildfires to go to trial, the jury rendered a verdict in Allstate's favor. Three cases remain pending.
- The California Department of Insurance's market-conduct examination of Allstate's claims handling practices in response to the 2003 fires produced no significant issues and no disciplinary actions.
- Customer satisfaction with Allstate in the years following the 2003 fires is high. In fact, Allstate was just voted one of the top insurance companies in the San Diego area by the readers of the *San Diego Union-Tribune*.
- In 1994, Allstate introduced to our California customers Building Structure Reimbursement Extended Limits (BSREL), a new homeowner policy that

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provides coverage of up to 150 percent of policy limits. Customers are notified every year at renewal of the exact amount of coverage limits for their policy. By 2003, any customer who had an Allstate homeowner policy before 1994 had received at least nine written notices specifying their coverage type and amount of policy limits.

Over the past ten years, Allstate has grown by millions of customers -- approximately 25 percent more auto and 40 percent more homeowner policyholders. These results are consistent with a company that values customers and can be counted on to pay claims quickly and accurately.

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