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**Insurance Commissioner Steve Poizner To Ensure Allstate's Immediate
Implementation
Of Nearly \$250 Million Auto Insurance Rate Reduction**

SACRAMENTO — Insurance Commissioner Steve Poizner announced today a zero tolerance policy towards further delays by Allstate in implementing a 15.9 percent reduction in auto insurance rates.

"Because Allstate's auto insurance rates were excessive, I ordered a 15.9 percent rate reduction starting Monday, April 28 that will save policy holders nearly \$250 million a year," said Commissioner Poizner. "Allstate tried to get the court to delay implementation of the rate reductions last week and lost. I am taking action to ensure that Allstate expeditiously and fully complies with my rate reduction order and I will not tolerate any further delays in passing these savings onto consumers."

Allstate indicated to the Department of Insurance that technical computer hurdles prevented it from immediate implementation of the rate cut for some of its customers. To ensure that all of Allstate's customers receive the rate reductions to which they are entitled on as short a time frame as possible, Commissioner Poizner has required Allstate to remedy technical barriers and fully implement the rate reduction for all its customers by May 12, provide refunds or credits of overcharges to those whose policies go into effect in the interim and notify new automobile insurance customers that a rate cut has taken effect.

In March, Insurance Commissioner Poizner announced a 15.9 percent decrease in auto insurance rates for customers of Allstate Insurance Company and Allstate Indemnity Company. This \$244,672,212 reduction was the result of months of negotiations and an administrative hearing, which began with Allstate requesting no change to their auto insurance rates, and mirrors reductions made by other major auto insurers. Allstate's request was denied

Allstate's customers will save on average approximately \$124 per year.

The administrative law judge agreed with the California Department of Insurance (CDI) claim that Allstate's rates should be reduced significantly because they were excessive to begin with. Many insurers in California have significantly lowered auto insurance rates for their policyholders. In 2007, Californians saved more than \$700 million through reduced auto insurance rates.

CDI maintains that Allstate should be held to the same standard as other auto insurers, based on data submitted to the department. In October 2007, Commissioner Poizner approved \$100 million in reduced auto insurance rates for AAA of Northern California. In July 2007, he approved a \$65.8 million reduction for GEICO customers.

Allstate Indemnity Company is the fifth largest auto insurer in California; Allstate Insurance Company is ranked ninth. Collectively, they earned \$1.7 billion in auto premiums for insuring approximately 2 million vehicles in 2007. Allstate has nearly 9 percent of California's auto insurance market.