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## **FOR IMMEDIATE RELEASE**

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Jackson, Mississippi  
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### **Allstate Clarifies Rate Reduction Filings to Dale Coastal Policyholders Included in Reduction Scenario**

Jackson –Commissioner of Insurance George Dale announced today Allstate has clarified their reduction rate filing that will essentially offer nearly 60% of their 72,000 Mississippi policyholders significant premium reductions or savings.

“Allstate and the Mississippi Insurance Department have worked together to clarify the filing and I am satisfied with their clarification. They now have the structure in place where policyholders, especially those in the coastal counties, can receive up to a 20 to 25% premium reduction in their rate increase,” said Dale.

Dale was unhappy with the amount of premium reductions for policyholders in the original filings. Instead of approving the 282% rate increase for the six coastal counties originally requested, Dale’s office got Allstate to agree to cap renewal rates at 90% in Hancock, Harrison, and Jackson counties and 80% in George, Stone and Pearl River Counties.

Any Allstate policyholder across the state, including those on the Mississippi Gulf Coast, will have the option of reducing the amount of their new premium based on their choice of deductible. With the rate change, many customers who have already chosen a higher all-perils deductible (which does not include such things as flooding and storm surge) will see a decrease in their premium, with an average rate reduction of 4.8%. Approximately 60% of Allstate’s current policyholders still have an all-peril deductible of \$500 or less, but can choose between \$1,000, \$2,500, or \$5,000 deductibles which will substantially reduce their new rate.

For example, a policyholder (statewide) going from a \$250 deductible to a \$500 deductible will see a premium discount credit of up to 12%, and a policyholder going from a \$250 deductible to a \$1,000 deductible earns up to a 25% premium discount credit. A policyholder going from a \$100 deductible to a \$500 deductible will see a premium discount credit of up to 27% and a policyholder going from a \$100 deductible to a \$1,000 deductible will receive an up to 40% premium discount credit. Note that rates may vary depending upon the deductible chosen and location.

For policyholders in non-coastal counties that had wind coverage, Allstate will renew that coverage. In addition, for policyholders in coastal counties that had wind coverage removed and are choosing to rebuild after significant Katrina damage, Allstate will rewrite wind coverage if

that policyholder rebuilds to International Building Codes that include hurricane mitigation factors such as those recommended by groups such as the Institute for Business and Home Safety (IBHS).

“I will say again, that premiums are still much too high for everyone on the Mississippi Gulf Coast and this department will continue to work with companies to find ways to help reduce those rates and find more companies willing to write policies on the coast. We hope to continue to see the market continue to move and stabilize toward more pre-Katrina conditions. For now I am comfortable with these steps toward that goal, but again, will continue to work with more and more companies in finding some relief for Katrina victims,” said Dale.

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