

## Allstate Responds to NAPAA's Call to Stop Interfering with Flood Policies

Over the course of several months, NAPAA received confirmation from multiple members in Florida and elsewhere that Allstate's Flood Service Center was sending misleading letters to the policyholders of recently terminated agents. Under the National Flood Insurance Program (NFIP), when agents terminate with Allstate, they can continue to service their flood books of business through Allstate until renewal. And if they continue to work as licensed independent agents, they can roll their flood policies into their new books of business.

NAPAA received copies of correspondence sent to flood policyholders within weeks of their agents' termination with Allstate. In those letters, Allstate told the insureds:

*We have been advised that your agent ... is no longer available to service your flood insurance policy. An active property and casualty insurance agent must be assigned to every flood insurance policy written with the National Flood Insurance Program .... Please contact another Allstate Insurance Agent in your area, requesting that he/she take over the servicing of your policy.*

NAPAA then asked its attorney to write to Allstate to instruct it to cease and desist issuing false or misleading letters to the policyholders of its members who had terminated with Allstate. NAPAA pointed out that, in most instances, Allstate's letters were false to the extent they indicated the agent was no longer available to service the policy and misleading insofar as they implied the agent was not actively licensed to renew the policy.

Allstate referred the matter to a prominent Washington, D.C. law firm with whom it has worked for many years, and NAPAA was pleased to receive correspondence responding to its concerns. Allstate's attorney explained that those concerns were simply the product of a "misunderstanding" of the NFIP by NAPAA and that Allstate's sole intent was to notify policyholders of their renewal options in order to avoid a lapse in coverage. While he did not acknowledge that Allstate had acted improperly, he did confirm that Allstate had discontinued its use of the offending letters.

NAPAA appreciates Allstate's efforts in addressing these issues and for being responsive to the legitimate concerns of agents and consumers in this matter. NAPAA will continue to do its part to keep you informed and vows to let Allstate know when its conduct, whether intentionally or otherwise, has crossed the line.