

8.5.08: Lt. Governor John Garamendi's Statement on Poizner's Decision to Drop Allstate Refund Effort

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SACRAMENTO - Lieutenant Governor John Garamendi, who served two terms as California's Insurance Commissioner, issued the following statement regarding Poizner's decision to drop the effort to seek refunds for Allstate policyholders paid too much for their homeowner's coverage.

"On behalf of consumers across the state, I am alarmed and disappointed at Insurance Commissioner Poizner's decision to drop the efforts to seek refunds for Allstate policyholders that paid too much for their homeowner's coverage. This "unannounced" decision made by Poizner through a settlement with Allstate goes against the transparency and protection that consumers demand and deserve. Nearly twenty years ago California consumers rose to take control of their insurance cost by passing proposition 103. This gave the state's elected insurance commissioner broad powers to set companies' rates, ensuring that they are not "excessive, inadequate or unfairly discriminatory.

During my two terms as Insurance Commissioner, I took that job very seriously and my Administration worked diligently to protect consumers. Before I left my post as Insurance Commissioner in mid 2006, I ordered Allstate and several other companies to show that their rates were not excessive";

Three years later, Allstate agreed to slash their rates and not continue to pocket far more of the policyholders' money than was warranted. Although this is a positive step for consumers going forward, those consumers that were at the mercy of Allstate's high rates in the past deserve a rebate for the three years in which they were charged an illegal amount."

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