



Allstate

Page **Discussion**

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! Article Status Notice: This Article is a stub

This article is underdeveloped, and needs additional work to meet the wiki's [Content Guidelines](#) and be in line with our [Mission Statement](#) for comprehensive coverage of consumer protection issues.

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Allstate, founded in 1931, is an American insurance provider that also operates in Canada. The company owns several subsidiaries, many of which carry the Allstate name, as well as Esurance. It is one of the largest insurers in the United States.

Consumer impact summary [\[edit \]](#)

[edit source](#)]

Overview of concerns that arise from the company's conduct regarding (if applicable):

- User Freedom
- User Privacy
- Business Model
- Market Control

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Allstate



Basic information

Founded	1931
Legal structure	Public
Industry	Insurance
Official website	https://allstate.com/ ↗

Allstate, Arity, and their subsidiaries are currently involved as defendants in a lawsuit by the state of Texas , that alleges multiple violations of data privacy regulations.

Alleged unauthorized data collection [\[edit \]](#) [edit source](#)]

Main article: Allstate and Arity's alleged unauthorized driver data collection through mobile apps

Arity, an Allstate subsidiary, has been sued for allegedly collecting drivers' data without consent. Drivers have also faced systematic barriers opting out of said collection that can potentially affect insurance rates.

Unfair claims handling practices [\[edit | edit source \]](#)

- **Lowball offers and delays**

Accused of systematically offering settlements below market value and intentionally delaying claims to pressure claimants into accepting lower payouts. This strategy was allegedly developed with *McKinsey & Company* in the 1990s to maximize profits by reducing payouts.^{[1][2]}

- **Alligator approach**

Internal documents revealed a tactic of "sitting and waiting" to frustrate claimants into settling for inadequate amounts, particularly in personal injury cases.^[1]

- **High denial rates**

Florida subsidiaries *Castle Key Indemnity* and *Castle Key Insurance* denied 47.1% and 46% of claims, respectively, in 2023, some of the highest rates in the state.^[2]

Use of anti-consumer policy language [\[edit | edit source \]](#)

Anti-concurrent causation clauses

Pioneered policy language allowing claim denials if a loss involved both covered and excluded events. This was widely criticized after Hurricane Katrina, where homeowners were denied claims for storm damage if flooding also contributed.^[3]

Legal and regulatory violations [\[edit | edit source \]](#)

- **Bad-faith lawsuits**

Faced multiple lawsuits for denying valid claims, including a \$2.8 million bad-faith ruling in *Weiss v. Allstate* and a \$25 million class-action settlement for inflating premiums and unfairly denying claims.^{[2][3]}

- **TCPA violations**

A 2024 court ruling found Allstate vicariously liable for illegal robocalls made by subcontractors, violating the Telephone Consumer Protection Act.

- **State fines**

Paid a \$70 million fine in Texas for overcharging homeowners and received the largest fine in Maryland history for premium hikes without customer notification.

Manipulative adjuster training [\[edit | edit source \]](#)

Adjusters were allegedly trained to minimize payouts and received bonuses for reducing claim values. Former employees described a culture of "lying to customers" to meet profit targets.

Controversial profit-driven strategies [\[edit | edit source \]](#)

- **McKinsey Documents**

Internal reports revealed *Allstate* prioritized profit over policyholders, aiming to pay 30% below market value on claims. Profits doubled to \$4.6 billion by 2007 using these tactics.

- **Stock Buybacks & Executive Sales**

CEO Tom Wilson sold \$32 million in stock amid scrutiny, while the company engaged in stock repurchases criticized as price manipulation.

Discrimination allegations [\[edit | edit source \]](#)

Racial Bias

Roberto Clemente Jr. sued *Allstate* in 2022, alleging racial discrimination in franchise agency operations. The case settled in 2023.

Consumer group, *American Association for Justice*, ranks *Allstate* as the worst insurer for consumers due to its claims practices.

Negative reviews cite poor customer service, claim delays, and premium hikes without improved coverage.^[4]

Allstate has disputed some claims, citing third-party reports supporting its practices.^[3]

Products [edit | edit source]

This is a list of the company's product lines **with articles on this wiki**.

- **Example product line one** (release date): Short summary of the product's incidents.
- **Example product line two** (release date):

Add your text below this box. Once this section is complete, delete this box by clicking on it and pressing backspace.

Incidents [edit | edit source]

See also [edit | edit source]

Link to relevant theme articles or companies with similar incidents.

Add your text below this box. Once this section is complete, delete this box by clicking on it and pressing backspace.

1. ↑ ^{1.0} ^{1.1} "Behind McKinsey & Company's Efforts To Help Allstate Squeeze Personal Injury Victims" [↗](#). *injurytriallawyer.com*.
2. ↑ ^{2.0} ^{2.1} ^{2.2} Samples, Steve. "Allstate Worst Insurance Company For Consumers" [↗](#). *tex.lawe*.
3. ↑ ^{3.0} ^{3.1} ^{3.2} "Allstate Rebutts Stinging Criticism" [↗](#). *consumerwatchdog.org*.
4. ↑ Revell, Nicholson. "Allstate Worst Insurance Company For Consumers" [↗](#). *nicholsonrevell.com*.

Categories: [Articles in need of additional work](#) | [Articles requiring expansion](#)
| [Articles with verification concerns or other deficiencies](#) | [Allstate](#)

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