

**Florida Governor Charlie Crist has asked Allstate policyholders to “fire” Allstate if they have them as an insurance company.**

**Late Breaking News:**  
**In related news, shareholders of Allstate have filed suit against Allstate and its directors for refusing to comply with a subpoena to produce the now infamous McKinsey documents. The company’s refusal to hand over documents has resulted in hefty fines and may result in serious problems for the publicly-traded insurance giant.**

[CLICK HERE FOR THE SHAREHOLDER SUIT](#)

**Short-lived Bliss in Florida: For a few short hours, Allstate had to abide by the law.** Screwy judge busts anti-cherry picking bubble

POA

You’ve gotta hand it to Allstate Insurance; they have no qualms about violating the law. The insurer has repeatedly defied court orders to produce documents that served as a road map to cheat policyholders out of payments for legitimate claims. The documents in question have come to be known as the “McKinsey files” because they were generated by the management consulting firm – McKinsey & Co. – for Allstate in the 1990s. Other insurers were quick to adopt the McKinsey road map, which resulted in enormous profits for the industry at the expense of legitimate claims being adjusted fairly. Let’s face it, when premiums soar and claims aren’t paid, that’s a hell of a recipe for profits, regardless of how amoral the recipe.

So damning are these documents, Allstate would rather be fined \$25,000 per day (\$3 million and still counting) than comply with both a Missouri Supreme Court and Florida Insurance Commissioner’s order to produce them.

For a brief moment, it looked like it all caught up with Allstate. The Florida Insurance Commissioner, Kevin McCarty, decided enough was enough and suspended the authority of Allstate to sell new auto insurance policies until the mega insurer produces subpoenaed documents. Allstate had filed for a 42% rate increase to its already exorbitant premiums in

Florida at a time when legislators mandated rate reductions. McCarty’s office demanded that Allstate justify their rate increase and subpoenaed internal documents including the McKinsey files. Allstate produced some of the documents but has refused to produce the Mother load, calling them “trade secrets”.

In a statement, McCarty said, “If Allstate is willing to pay \$25,000 per day in fines to a Missouri court for its ongoing failure to provide similar documents; it’s obvious to me that it will take more than a monetary sanction to get them to comply with our subpoenas.”



**Gov. Charlie Crist and Insurance Commissioner Kevin McCarty are among a handful of officials who dare to tackle the insurance industry.**

But, within 48 hours, an appeals judge from the 1<sup>st</sup> District Court of Appeals, granted Allstate a free pass by issuing an emergency injunction allowing Allstate to resume selling its policies in Florida.

Gov. Charlie Crist sup-

ported McCarty in his decision, asking Allstate policyholders to “fire” Allstate if they have them as an insurance company.

In a statement, Crist said he disagreed with the court’s decision. “I am disappointed by the recent action by the First District Court of Appeal to stay Allstate’s suspension,” Crist said. “I urge Commissioner McCarty to act as early as Tuesday to show why the order suspending Allstate’s license should remain in effect. For too long, insurance companies have ignored the needs of their customers and unfairly taken advantage of Florida homeowners.”

“We are considering our legal options, and I will do everything within my authority as Florida’s insurance commissioner to ensure that the suspension remains in effect and that Allstate produces the documents requested by my office,” McCarty said.

The appeals court gave the state insurance commissioner until Jan. 28 to convince the court why it should reverse its decision while it considers the appeal.

POA could not determine from the order which judge actually sided with Allstate as only the clerk signed it.

[CLICK HERE](#) for the order.

**Want more detailed coverage? Go to pages 26-27, and 29-30.**