**Allstate: Boxing Gloves Instead of Good Hands**

Bad faith insurance companies victimize their policy holders by using lowball settlement offers and forcing them to either buckle under or fight. Unfortunately, most policy holders do not have the means or the will to fight.

For Allstate Insurance Company and other companies who are guilty of bad faith insurance practices, gone are the days when insurance companies felt an obligation to protect their policy holders.

This drastic change in attitude came about after Allstate turned to the management consulting firm of McKinsey & Co., a consulting firm, to overhaul the way it handled damage claims. McKinsey encouraged Allstate to delay paying claims for so long that the policy holder becomes discouraged and financially distressed ( McKinsey said to” wait like an alligator”).

Not only will the policy holder be more inclined to accept an unreasonably low offer, but Allstate would be able to collect interest on the money they hold which should be paid out to their policy holder.  
McKinsey’s role in the Allstate scam is exposed in a Bloomberg article entitled: Home Insurers’ Secret Tactics Cheat Fire Victims, Hike Profits which discusses how the dirty tricks recommended by McKinsey boosted Allstate’s profits.

Plaintiffs attorney David Berardinelli. is the author of From Good Hands to Boxing Gloves, a book based on some 12,500 PowerPoint slides that fell into his hands during a lawsuit against Allstate Insurance Co. The slides had been presented to Allstate between 1992 and 1997 by management consultant McKinsey & Co. as part of an overhaul (the Claim Core Process Redesign) of the insurer’s claims handling process.

Businessweek has also reported on these insurance bad faith claims practices.  
Other insurance bad faith tactics include the use of computer programs to manipulate claims payout practices to lower settlement payments and putting pressure on insurance adjusters to lie to policy holders about their policy provisions and damage estimates.   
These unfair settlement practices were in heavy use in handling claims arising from damage caused by Hurricane Katrina. An engineer who examined damaged Gulf Coast homes for insurance companies told Bloomberg that some of his reports were altered by Allstate to say that homes were damaged by flood, and not by wind. Allstate profited by this fraud because their insurance policy did not cover damage caused by flooding.  
If you have been victimized by bad faith insurance practices, contact the Law Office of Sally A. Roberts, at (860) 384-6701