

**LEGAL NOTICE: You Are A Class Member  
In A Lawsuit And Your Legal Rights Are Affected By  
The Settlement Described In This Notice**

# Notice of Your Rights in the Allstate Fair Credit Reporting Act Settlement



**YOUR OPTIONS IN CONNECTION  
WITH THIS SETTLEMENT**

<b>Submit Request Form</b>	The only way to get your free credit report and, potentially, other benefits. Request Forms must be mailed by July 13, 2005.
<b>Do Nothing</b>	Get the enclosed credit brochure and access to the website referenced in this Notice, but not a free copy of your credit report and other benefits you may potentially qualify for under this Settlement.
<b>Exclude Yourself</b>	You have the right to hire a lawyer and file your own lawsuit. You must tell the Court in writing by May 2, 2005. However, if you do so, you will receive no additional benefits under this Settlement, except for the credit brochure you have received and access to the website referenced in this Notice.
<b>Object</b>	Remain in the Class, waive your rights, and file your objections with the Court by May 2, 2005.

## Information for Class Members

**Larry Daniels, et al. v. ALLSTATE INSURANCE, M.D. Tenn.  
YOU ARE NOT BEING SUED**

**As a CLASS MEMBER, you may claim BENEFITS under this Class Action SETTLEMENT preliminarily APPROVED by the COURT.**

***A FEDERAL COURT authorized this Notice. This is NOT an attorney's solicitation.***

**Because you are a Class Member, as part of this Settlement with Allstate Insurance you are entitled to receive a FREE COPY OF YOUR FULL CREDIT REPORT from Trans Union, a major credit reporting agency. To get your free credit report, which has a value in most states of \$9, you must submit the ENCLOSED REQUEST FORM. If you qualify, other benefits may also be available.**

### **I. MEMBERS OF THE CLASS**

Allstate Insurance Company and certain of its subsidiaries and affiliates ("Allstate") have settled a lawsuit brought by certain persons. The Settlement concerns Allstate's use of credit reports under the Fair Credit Reporting Act in connection with its underwriting and pricing of automobile and homeowners policies, and certain other personal lines of insurance. The plaintiffs contend, and Allstate contests, that Allstate did not have a permissible purpose under the Fair Credit Reporting Act to obtain the credit reports of certain individuals and that Allstate did not send notices to certain individuals as required by the Fair Credit Reporting Act. This Class Action Settlement was preliminarily approved by the Honorable Aleta Trauger, United States District Judge, Middle District of Tennessee, on September 21, 2004. The Court has made no determination that Allstate has done anything wrong.

Neither this Settlement, nor the lawsuit, is about the prices Allstate sets for insurance policies or the insurance coverage it sells. In addition, this lawsuit does not challenge Allstate's right to use credit reports.

You are a Class Member affected by this Settlement Stipulation, if you meet one or more of the following descriptions of the four Sub-Classes:

- **Sub-Class A:** You were listed or identified as an insured by an individual applying for or renewing insurance under an Allstate personal lines policy of insurance, including an automobile or homeowners policy, between February 2000 and October 31, 2004, and your credit report was obtained by Allstate in connection with that application;
- **Sub-Class B:** You were issued an Allstate personal lines policy of insurance, including an automobile or homeowners policy, between November 1998 and October 31, 2004, and you were not charged the lowest available premium based in whole or in part on information in your credit report and the credit report of another person insured under the policy;
- **Sub-Class C:** You were issued an Allstate personal lines policy of insurance between November 1998 and October 31, 2004, including a homeowners or automobile policy, but were not charged the lowest available premium based in whole or in part on information in your credit report and/or the credit report of another individual insured under your policy and you did not receive a notice under the Fair Credit Reporting Act within 60 days of the policy issue date; or
- **Sub-Class D:** You were not issued an automobile, homeowners, or other personal lines insurance policy by Allstate and, between November 1998 and October 31, 2004, you received a notice with form number X6096, X66323, X66204, X6425, X6845, or X6936 which allegedly did not provide that Allstate's decision to not issue a policy to you was based in whole or in part on information from a consumer report from a particular source.

### ***Why am I getting this?***

You have been identified as a Class Member, and you may be entitled to further benefits in this Settlement.

### ***What am I entitled to?***

A free copy of your full credit report. In addition, some Class Members may be entitled to cash payments or premium reductions.

### ***What do I have to do?***

Return the enclosed Request Form by the deadline of July 13, 2005, to get your free credit report.

### ***What's the deadline?***

You must mail in your Request Form by July 13, 2005.

For more information, visit  
[www.creditreportsettlement.com](http://www.creditreportsettlement.com)  
or call (800) 361-4132

If you received this Notice, you have been identified as a member of one or more of the above groups. You have legal rights and options to exercise in connection with this Settlement. This Notice explains your rights and options -- **and the deadlines to exercise them**. The Court has made no determination on the merits of the case. The Court still has to decide whether to give final approval to this Settlement. If you request a credit report and are eligible for other benefits, you will not receive them unless and until the Settlement is finally approved, including resolution of any appeals. A complete description of the Settlement and the benefits to which you are entitled, including a full copy of the Settlement Agreement and related documents, can be found at the following website:

**www.creditreportsettlement.com**. This Notice generally describes the Settlement Benefits and provides the Request Form you need to submit to receive additional Settlement Benefits. If you remain in this Class, you will give up your right to bring your own individual lawsuit against Allstate for any alleged violations of your rights under the Fair Credit Reporting Act from November 1998 to October 31, 2004.

## II. SUBJECT MATTER OF THE LAWSUIT

The parties have agreed to settle claims alleging that Allstate violated the Fair Credit Reporting Act because it did not have a permissible purpose to obtain the credit reports of certain individuals and did not send required notices to certain individuals in connection with its use of credit reports in the underwriting and pricing of personal lines policies of insurance, including automobile and homeowners policies. Allstate has denied liability, but has agreed to this Settlement in resolution of all such claims by Class Members.

## III. BENEFITS AVAILABLE TO YOU IN THIS SETTLEMENT

If you received this Notice, you are one of those Class Members. If you choose to receive additional Settlement benefits, you must request that a free copy of your full credit report is sent to you by sending in the enclosed Request Form. If you ordered your credit report on your own today, it could cost you about \$9, depending on what state you live in. When you receive your free credit report, you will also receive instructions on how to correct errors in your credit report if you find any. Certain Class Members who make corrections to their credit reports may be eligible to receive a cash payment. You are a Class Member who may be eligible for a cash payment if you are in Sub-Class B or C. If your Request Form has a "B/C" notation in the upper right hand corner, you are in one or both of these Sub-Classes and you may be entitled to receive a cash payment and/or a premium reduction after you correct your credit report. As part of the Settlement Agreement, Allstate has paid the cost of providing you with valuable information about your rights as a consumer under federal law. Included with this Class Notice is a brochure entitled "Important Information About Your Credit Report." You are urged to read this important brochure, which has been provided to you as a part of your Settlement benefits. As a further benefit of the Settlement, Allstate will change certain of its practices by only ordering credit reports on individuals applying for or renewing automobile, homeowners or other personal lines insurance policies and their spouses (if any). Also, Allstate will revise certain notifications it sends under the Fair Credit Reporting Act to reflect, where applicable, that the credit reports of both spouses resulted in it charging anything but the lowest available premium.

## IV. ATTORNEYS' FEES

Fourteen separate law firms represented the several plaintiffs in this case. Lead Counsel appointed by the Court are: Terry Smiljanich, James Hoyer Newcomer & Smiljanich; Ken Canfield, Dofferymyre Shields Canfield Knowles & Devine LLC; and Charles McCallum, McCallum Law Firm. Allstate has agreed to pay the Class Members' attorneys' fees and costs incurred in prosecuting this case over the past four years. Class Counsel will be paid no more than \$8 million in fees and costs. The Court will determine the amount of fair and reasonable costs and fees to be paid to Class Counsel. **No money will be taken from any award to Class Members. It will be paid by Allstate separately.** The Court will consider this matter at the hearing set for July 18, 2005 at 1:00 PM.

For more information, visit  
[www.creditreportsettlement.com](http://www.creditreportsettlement.com)  
or call (800) 361-4132

## V. WHAT AM I GIVING UP?

If you do not exclude yourself from the Settlement, you are forever releasing and discharging Allstate Insurance Company, Allstate Indemnity Company, Allstate Property Casualty Company, Allstate County Mutual Insurance Company, Allstate Floridian Indemnity Company, Allstate Floridian Insurance Company, Allstate New Jersey Insurance Company, Allstate Texas Lloyd's, Deerbrook Insurance Company, Encompass Floridian Indemnity Company, Encompass Floridian Insurance Company, Encompass Indemnity Company, Encompass Insurance Company, Encompass Insurance Company of New Jersey, First Colonial Insurance Company, and Northbrook Indemnity Company and each of their respective present and former officers, directors, partners, shareholders, agents, independent contractors, employees, predecessors, successors, assigns, parents, affiliates, subsidiaries, insurers, and attorneys, and the agents and employees of any of them, from and against any and all actions, causes of action, obligations, costs, fees, sanctions, damages, losses, claims, liabilities and demands (hereinafter collectively referred to as "Claims") in any way based upon or arising, from October 31, 1998 to date of final approval of the Settlement, in any way under the Fair Credit Reporting Act, or any state laws or regulations that impose obligations on users of consumer reports, like Allstate, that are similar, or related to, the obligations imposed on Allstate under the Fair Credit Reporting Act, that you ever had, now have, or hereafter may have arising out of Allstate's obtaining and using any consumer report in its underwriting and/or rating of personal lines insurance policies. Except as expressly provided below, such releases and discharges will extend to all such Claims of any and every kind and character, known or unknown, developed or undeveloped, suspected or unsuspected, which ever existed, now exist or may hereafter exist, you are expressly waiving all rights with respect to such Claims. If you are a resident of California, or were a resident of California at any time between October 31, 1998 to the date of final approval of this Settlement, you are waiving the application of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

## VI. WHAT HAPPENS NEXT

The Court will hold a final hearing to determine the fairness of the proposed Settlement and the reasonableness of attorneys' fees on **July 18, 2005** at 1:00 PM, in Room 873 at the federal courthouse in Nashville, Tennessee. You have the following options:

- If you want a free copy of your credit report, simply **return the enclosed Request Form by July 13, 2005**. In doing so, you are waiving your right to file your own lawsuit against Allstate for any violations of the Fair Credit Reporting Act from January 1998 to October 31, 2004.
- If you choose to do nothing, you will receive no additional benefits beyond the brochure entitled "Important Information About Your Credit Report" and access to the website [www.creditreportsettlement.com](http://www.creditreportsettlement.com).
- If you want to exclude yourself from this Settlement and preserve the right to hire your own attorney and bring your own lawsuit at your own expense ("opt out"), by May 2, 2005, you must put your request in writing to the Clerk of the District Court, U.S. District Court for the M.D. of Tennessee at United States Courthouse, 801 Broadway, Nashville, TN 37203. If you want to object to the Settlement or the fee award, you must remain in the Class and file your objection in writing with the Clerk of the District Court, M.D. Tennessee, United States Courthouse, 801 Broadway, Nashville, TN 37203; Terry Smiljanich, James Hoyer Newcomer & Smiljanich, 4830 W. Kennedy Blvd., Suite 550, Tampa, FL 33609; and Jeffrey Lennard, Sonnenschein, Nath & Rosenthal, LLP, Sears Tower, Suite 8000, Chicago, IL 60606, by May 2, 2005. If you plan to appear at the hearing in Tennessee on July 18, 2005 at 1:00 PM, you must put your intention in writing and send it to the Court and the attorneys. However, if you opt out of the Settlement, you will not receive any additional Settlement benefits beyond the credit brochure and access to the Settlement website.