

Jackie Lacey

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NEWS RELEASE

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Nov. 30, 2016

Allstate to Pay \$600,000 For TV Ads Touting Accident Forgiveness Program

Los Angeles County District Attorney Jackie Lacey announced today a \$600,000 settlement with Allstate Insurance Company for advertising its auto accident forgiveness program in California even though that program is prohibited by state law.

The civil complaint alleges false advertising and unfair competition by the Illinois-based insurance company. The lawsuit was filed last week in Riverside County Superior Court by district attorneys in Los Angeles, Riverside and San Diego counties.

Prosecutors said Allstate launched a nationwide television ad campaign several years ago claiming its "accident forgiveness" program could protect motorists from having their insurance rates increase if they are responsible for an accident.

However, state consumer protection laws do not allow accident forgiveness programs in California.

Under the terms of the judgment, an injunction will be filed against Allstate requiring full compliance with state law with its accident forgiveness advertising, including disclosure of the fact that such programs are not available in California.

The company admits no wrongdoing as part of the agreement.

The \$600,000 settlement will be split among the three counties.

The case was handled for the Los Angeles County District Attorney's Office by Deputy District Attorney Ellen Aragon of the Consumer Protection Division.

About the Los Angeles County District Attorney's Office

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.