



80 Eighth Avenue, 20th Floor New York, NY 10011 212-675-3210 www.opeiu.org

MEDIA ADVISORY

FOR IMMEDIATE RELEASE July 17, 2013

MEDIA ADVISORY

CONTACT: Jim Fish
Executive Director
877-269-3474
Executive Director@napaausa.org

Suit Alleges Allstate Skirted State Statutes in Agent's Dismissal

Gulfport, MS - The National Association of Professional Allstate Agents, Inc. (NAPAA) has been working closely with a former Allstate insurance agent and his attorney to determine if the company willfully violated state statues in its attempts to terminate him and other Allstate agents in the state of Minnesota.

Last week, Jerry Deleski of Roseville, Minnesota – a former Allstate agent of 39 years – filed suit against Allstate Insurance Company, alleging it violated a Minnesota statute when it wrongfully and illegally "expelled" him for failing to meet company life insurance quotas. Minnesota prohibits such actions by insurers.

Last year, the Minnesota Department of Commerce investigated Allstate's conduct over Deleski's dismissal and charged that Allstate had violated the statute as well as a second statute requiring the company to inform Deleski of his right to a hearing before a board of review, which it failed to do. Allstate agreed to pay a \$5,000 civil penalty in lieu of facing formal proceedings on the charges.

Nationally, the number of Allstate agents has declined by nearly 30% since 2007 – from 13,200 to approximately 9,300, according to the company's SEC filings.

"While we know nearly 4,000 agents have parted ways with Allstate – many of them involuntarily – the company has been replacing them with new, but often less experienced, individuals," said Jim Fish, NAPAA's executive director. "We believe the firings were not only ill-advised, but have accelerated the company's fall from second to third place among top auto insurers."

In 2006, the company imposed a new quota system that required agents to meet specific sales goals. Agents were told that failure to attain their quotas could result in the loss of their

contracts. When the economic downturn struck and businesses in nearly every industry were struggling, the company continued to demand that agents produce sales at pre-recession levels.

As a result, agent terminations quickly gathered speed and a large portion of those in jeopardy of losing their livelihoods were forced out as a result of outright terminations or because they were under constant threat of termination.

Should Deleski prevail – which NAPAA believes he will – this precedent-setting case will likely set the stage for other former Minnesota insurance agents to recover damages for the unlawful termination of their contracts.

NAPAA estimates the number of agents in the state of Minnesota was approximately 158 in 2007, and has declined to about 84 exclusive agents under contract today.

ABOUT NAPAA/OPEIU Guild 17

Based in Gulfport, Mississippi, The National Association of Professional Allstate Agents, (NAPAA) is a non-profit organization whose members are predominantly insurance agents under contract with Allstate. NAPAA is affiliated as a guild with The Office and Professional Employees International Union (OPEIU). To contact NAPAA, please visit its Website at www.napaausa.org or call (877) 627-2248.

ABOUT OPEIU

The Office and Professional Employees International Union represents more than 108,000 employees and independent contractors in the United States, Puerto Rico and Canada in banking, insurance, higher education, shipping, hospitals, medical clinics, utilities, transportation, hotels, administrative offices and more.