
Allstate faces \$60m suit from local firm

The Hamilton Spectator

(May 22, 2008)

A Hamilton law firm has filed a \$60-million class action lawsuit against insurance giant Allstate on behalf of its agents.

The statement of claim, filed Tuesday by Scarfone Hawkins LLP in the Ontario Superior Court of Justice in Toronto, claims damages for breach of contract and breach of the Employment Standards Act. It contains allegations yet to be proven in court.

Three plaintiffs, including Mark Cassells of Hamilton, claim Allstate unilaterally changed its contracts with 450 agents across Canada. The statement of claim says the company told its agents last July they would no longer be paid commission on policy renewals and 256 agent locations would be closed in Canada.

While the company said it would guarantee its agents' incomes for 24 months, the statement of claim says that guarantee was inappropriately tied to "minimum performance standards" and was therefore no guarantee at all.

Cassells did not accept the changes to compensation, according to the statement of claim, and quit Allstate as of May 15, receiving no termination or severance pay.

thespec.com

<http://www.thespec.com/News/Business/article/373042>
