

January 26, 1999

To: All Claim Employees
Re: Consumer Reports Article on Replacement Auto Parts

The February issue of Consumer Reports magazine features a story on the use of replacement automobile parts. The story informs readers that two types of replacement parts are available to consumers for repairs to their vehicles: original equipment manufacturer (OEM) parts and after-market parts. The story states that insurance companies urge customers to accept the after-market parts and contends that these parts are inferior. Since this article will be published in a few days, we wanted you to be aware of Allstate's position on this matter.

As you review this article, please be careful as to how you read Allstate spokesperson Raleigh Floyd's quote. This paragraph has been positioned in such a way that it could appear that Raleigh addresses test results. To be clear, these test results are those of Consumer Reports.

Allstate has been a long-time supporter of the Certified Automotive Parts Association's (CAPA) efforts to improve the quality of after-market parts available in the marketplace. We are pleased however, that CAPA has committed to further improving its efforts to ensure that after-market parts are of the highest quality and are functionally equivalent to OEM parts.

The following are several key points that further clarify the company's position:

- Allstate endorses the use of after-market parts.

It is Allstate's policy to explain each repair estimate to the customer. In addition, the company provides an after-market part disclosure statement in auto repair estimates in compliance with state regulations.
- Allstate's policy is to honor the customer's choice with respect to the use of after-market parts.
- If a policyholder/claimant request an OEM part when a replacement part is called for, Allstate will honor this request at no additional charge.
- Allstate recommends only those after-market sheet metal parts that carry CAPA certification.
- Allstate guarantees that the policyholder/claimant will be satisfied with the fit and corrosion resistance of CAPA-certified sheet metal for as long as he or she owns the vehicle. The company has received minimal inquiries where the repair guarantee was exercised as a result of quality issues relating to after-market parts. In these instances, the company has established procedures to follow-up on these inquiries.

Allstate is committed to providing choice, quality repairs and added value to our customers. Initiatives such as the Priority Repair Option (PRO), national glass program and the use of after-market parts assist in keeping premiums competitive and providing the best insurance value to the consumer.

If you have any questions, you may contact me at 847/402-8434, Jerry Broweer at 847/402-2957, or Nick Notte at 847/402-0020. If you receive Media inquiries, please direct them to Media Relations at 847/402-5600.

Gary Mellini
Assistant Vice President / Auto Mastery