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## **INFORMATION ON THE UNITRIN INSURANCE GROUP SETTLEMENT**

*This information was prepared by the Illinois Department of Insurance – for more information, visit their web site at [www.state.il.us/ins/pressRelease/pr02/pr05-02-02.htm](http://www.state.il.us/ins/pressRelease/pr02/pr05-02-02.htm)*

### **Unitrin policyholders will be notified by mail of the settlement options available to them, including:**

- **For Racially-Underwritten Insurance Policies:** Class members may choose either an increased death benefit for affected policies that are still in force or a cash refund instead of the increased death benefit; and Unitrin will reduce the future premiums, if any, that may become due on those policies.
- **For Beneficiaries:** Beneficiaries or heirs of racially underwritten policies on which a death claim or endowment was paid after 1960 will receive a supplemental cash payment.
- **For Lapsed Policies:** Persons who owned racially underwritten policies that were premium-paying after 1960 but have since lapsed or terminated are also eligible to make a claim for benefits.

### **Unitrin Settlement Outline – The following is an outline of Settlement Relief that will be awarded to Class Members pursuant to the Stipulation of Settlement. Policyholders who believe they may be affected by this settlement and have questions should contact the United Insurance Settlement Administration Center toll-free at 1-877-347-4719.**

- An estimated 467,000 policies are eligible for relief under the Stipulation of Settlement.
- An estimated 249,000 policies will receive automatic relief.
- The Settlement provides guaranteed payouts amounting to \$27 million, itemized as follows:
  - At least \$12.25 million will be paid for Increased Death Benefit Relief and Cash Refund Relief for policies that are premium-paying on the Implementation Date. This relief is not capped.
  - An estimated \$4 million will be paid for future Premium Reduction Relief. This relief is not capped.
  - At least \$5.25 million will be paid for Increased Death Benefit Relief and Cash Refund Relief for in-force policies that are not premium-paying on the Implementation Date. This relief is a floor and not capped.
  - Any unused portion will be used to increase Death Benefits of Class Members who have in-force policies.
  - At least \$5.5 million in Estates and Matured Life Policy Relief will be paid. This relief is a floor and not capped. Any unused portion will be used to increase Death Benefits of Class Members who have in-force policies.

- The settlement also provides for an additional benefit that is not guaranteed but is estimated at \$6 million for Unclaimed Benefits paid during the course of the Settlement.
- The above \$33 million total is augmented by a \$1 million Regulatory Enhancement that will be distributed by the companies to premium paying policyholders entitled to Relief and persons entitled to Unclaimed Benefit Relief under the Settlement.
- The Regulatory Settlement Agreement also provides for a Sanction Amount (fine) totaling \$1.25 million to be distributed among Participating States based on policy counts by state with a minimum payment of \$1,000.00 to any Participating State.