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Allstate now will let those planning trips to Israel apply for life insurance

Allstate Life Insurance Co., pressured by a California lawsuit and pending federal legislation, said Tuesday it will now allow potential life insurance customers who plan travel to Israel, the West Bank or Gaza to apply for policies.

Allstate, part of Northbrook-based Allstate Corp., is one of 13 life insurers named in a Los Angeles County lawsuit filed in April for turning down life insurance applicants if they indicated they had traveled to any of those three places in the last two years or said they intended to travel to those locations in the next two years.

In a settlement reached this week between Allstate and California attorney William Shernoff, Allstate agreed to no longer consider "past or future travel" to these areas as a condition of getting life insurance policies, nor can Allstate charge a higher premium solely because an applicant is traveling to that part of the world, according to court documents.

Shernoff sued on behalf of a California man who was denied life insurance by another defendant, Banner Life Insurance Co. State Farm Life Insurance Co. is also named as a defendant.

"Our customers say to us through litigation and legislation that they wanted us to change this policy for Israel, West Bank and Gaza," said Allstate spokeswoman Rebecca Hirsch.

Hirsch said Allstate for "about maybe nine or 10 years" has denied life insurance policies to people who say they intend to travel to destinations listed on the U.S. State Department's current Travel Warnings list (<http://travel.state.gov/warnings--list.html>). Allstate will still deny insurance for travelers to other spots designated as dangerous for U.S. citizens, but will make exceptions for travelers to those Middle East locations.

The lawsuit declared the practice of denying life insurance to some travelers as an "unfair business practice" under California law, saying "many citizens of California, including those of the Jewish and Christian faiths, visit Israel as tourists or pilgrims to holy sites."

In March, Rep. Rahm Emanuel (D-Ill.) and three other Congressmen introduced the "Life Insurance Anti-Discrimination in Travel Act," which would prohibit insurers from denying or canceling policies to life customers who have traveled to "Israel or the other 26 countries on the U.S. State Department's current Travel Warnings list." That bill is pending, a spokeswoman for Emanuel said.

The California lawsuit only contests the denial of life insurance policies because applicants have traveled or plan travel to Israel, the West Bank and Gaza. Shernoff said he is not seeking any monetary damages.