

My name is Cliff Millikan, and I've worked as a claims adjuster for Pilot Catastrophe in Mobile, Alabama, since 2014. In 2016 I transitioned to full-time adjusting, primarily for Allstate, and have been deployed consistently for more than eight years. (I have been actively deployed for nearly 364 days per year for most of the past 4 years)

Since 2020, I've observed significant changes in Allstate's claims that, in my view, undermine the interests of policyholders and erode trust in the insurance industry.

When I began working for "Allstate" in 2016, Adjusting claims by pictures was not typically allowed. Allstate wanted an experienced set of eyes on site to identify damage, apply the findings to the policy and determine coverage. This practice makes sense because the adjusters could observe the overall condition of the surrounding area (are other homes tarped, are nearby homes affected, and are there any other factors to help tell the story). The entire loss details could be processed and competent decisions made. This practice is less likely to miss covered damage.

The new process is completely opposite and now the loss is 100% evaluated by pictures. Example, -Very experienced field Adjusters routinely go out and inspect a property, complete the estimate and upload the estimate and pictures to be reviewed and approved by a "Reviewer". On a regular basis these reviewers deny the approval and often for opinion related reasons. These same very talented Adjusters are even instructed to deny the coverage because in the reviewer's opinion, the pictures do not support covered damage. The CONTRACT/Policy never implies that coverage is based on pictures but that the carrier will repair or replace covered damage. The policy states the carrier owes for repair or replacement of similar construction for damage, not "Allstate estimating practices as most of these practices does not contain similar construction methods".

Since 2020 Allstate has increasingly relied on third-party non-licensed "picture takers" instead of licensed adjusters to inspect properties. The "picture takers" upload their photos to a portal, where an inside adjuster reviews the pictures and attempts to write an estimate to be sent to a Reviewer. The "reviewer" then determines coverage and mandates revisions, often without transparency, as their name does not appear on the estimate. This process confuses policyholders, who mistake picture takers for adjusters, and increases the likelihood of missing damage, often to the carrier's benefit.

Allstate has stripped all field adjusters of decision-making authority. Adjusters now act as “picture takers and estimate writers,” submitting their work to reviewers who approve or deny claims and dictate revisions. These revisions often force adjusters to use materials not of like kind and quality, delete damages known to be covered and even to issue denial letters, even when the adjuster disagrees with the decision. There is no room for discussion. If an adjuster resists, the claim is reassigned to someone who complies. When I’ve explained to policyholders that I didn’t make these decisions, (which is 100% accurate), I’ve been reprimanded. "All claims should be inspected by people who make the decisions based on the damage seen not damage that could not be seen from pictures. Decision makers need to inspect losses"

This new process implemented by Allstate is clearly designed in the self-interest of Allstate. Allstate has changed 180 degrees on their procedures of adjusting claims from on site to pictures, Allstate has taken away all of the decision making from the Licensed Adjuster. Allstate sends out non-licensed inspectors on over 70% of homeowners claims to take pictures and upload pictures to a portal where it is very likely an inexperienced desk adjuster will review pictures and attempt to prepare some sort of estimate to send up for review. "Allstate is licensed and needs to abide by the licensing requirement to prepare estimates that outline all the damage not just what they pick and choose to cover. Otherwise, not preparing an estimate with all covered damage is fraud."

Most managers and experienced Adjusters agree the new way of handling claims is not ethical, fair or even remotely accurate. Some have quit their positions with carriers due to unethical practices. The remaining are overloaded with newly added mandatory compliance requirements, non-stop harassment and changing processes to more time-consuming tasks. Allstate has lowered morale, taken away adjusters’ ability to make any decisions, require adjusters to act in a manner not consistent with integrity or fair claim handling, Allstate is forcing honest competent Adjuster to act in an unethical manner

As an adjuster, I am ethically obligated to write accurate estimates that fully account for all covered damage, regardless of a policyholder’s demeanor or tenure. Insurance contracts are built on trust, promising ethical and fair claims handling. Current practices risk violating that trust, leaving policyholders underinsured and underserved. "Violation of the rules and regulations of my licensing agreement can cause revocation of my license, fines or both."

I believe there are other methods to generate profits for shareholders than short-paying legitimate claims and attempting to push out all the experienced personnel.

I urge this committee to investigate these practices to ensure the insurance industry upholds its duty to protect policyholders. Transparency in claims decisions, accountability for reviewers, and restoring adjuster authority could help rebuild trust and fairness.

Thank you for addressing this critical issue.