

Press Releases

August 2, 2017

MADIGAN ANNOUNCES SETTLEMENT WITH DIRECT AUTO

Attorney General's Settlement Ends Discriminatory Practices Against People with Disabilities

Chicago — Attorney General Lisa Madigan today announced a settlement with Direct Auto Insurance Company over allegations that the company discriminated against people who have disabilities.

Madigan alleged that Direct Auto's application and medical forms sought broad information about physical and mental health disabilities that was not relevant to Direct Auto's underwriting practices. Madigan's office received complaints from consumers alleging that Direct Auto revoked their policies and refused to cover accident damage solely based on a consumer's disability status if the consumer did not disclose the disability on the insurance application and later filed an accident claim.

"Revoking or refusing to provide services to a person based on a disability is not only unacceptable but it violates the Americans with Disabilities Act," Madigan said. "Under this settlement, Direct Auto will end its discriminatory practices and provide equal access to coverage for people with disabilities."

Under the agreement, Direct Auto's application will no longer ask consumers to disclose physical or mental disabilities. The company will also incorporate nondiscrimination provisions into operating policies, and staff will be trained to ensure an applicant's disability does not factor into coverage or premium determinations.

Bureau Chief Laura Paul and Assistant Attorney General Meghan Carter handled the case for Madigan's Disability Rights Bureau.

Attorney General Madigan's Disability Rights Bureau protects and advances the interests of people with disabilities in Illinois, and works with public and private entities seeking to comply with the disability rights laws. The bureau receives complaints regarding noncompliance with state and federal accessibility laws and works to bring facilities into compliance.

-30-

Return to August 2017 Press Releases



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