

Checks will go to Nationwide clients

Settlement | The insurer was accused of using credit scores to set rates without notice

More than 65,000 Nationwide auto insurance customers from Oregon and other states will get checks for more than \$200 in about 30 days after a Portland judge approved a \$19.25 million settlement of a class action lawsuit.

Federal District Court Judge

Anna Brown approved the agreement Thursday among policyholders, Nationwide and its subsidiary, AMCO Insurance Co., under which the companies deny any wrongdoing.

Customers alleged that Nationwide and AMCO charged them more when they renewed their insurance based on information in their credit reports, but failed to provide adequate notice that they were doing so, as required by the Fair Credit Reporting Act.

The case had been on appeal to the 9th U.S. Circuit Court of Appeals, where several other similar cases are pending. Cases against Safeco and Geico insurance companies are on appeal to the U.S. Supreme Court, where a hearing is set for Jan. 16.

Cases naming Farmers and State Farm insurance companies have been put on hold until after the U.S. Supreme Court rules.

In September, another of those cases against the Hartford Fire In-

urance Group also settled. Notices will be sent to 360,000 affected customers in that case today. But payments of about \$150 each won't be made until after a fairness hearing on Feb. 26, according to Portland attorney Steve Larson, who represents policyholders in the cases.

The common allegation in all of the cases is that the companies used credit scores to raise premiums without adequate notice to policyholders, Larson said.

—Julie Tripp