

[New company could help Allstate keep agents and other business](#)

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Besides giving Allstate Corp. more control over prices, North Light Specialty Insurance Co. could help the parent company retain its agents and other insurance business.

Unlike an independent insurance agent, who can sell policies from a number of different companies, Allstate employs what are called captive agents, who generally sell only the company's own policies.

That creates a problem when the firm stops writing new homeowners policies, as it has in Mobile and Baldwin counties. Because most insurers offer discounts to customers who buy auto or life insurance in addition to homeowners coverage, Allstate agents have to work harder to win new business, and could have trouble keeping the business of people who lost wind coverage.

Companies that have cut homeowners coverage have seen agents defect, some taking customers with them to new insurers. For example, some Baldwin County agents left Alfa Mutual Insurance after it cut back.

Captive agents can sell policies from the Alabama Insurance Underwriting Association, the state insurer of last resort known as the beach pool. And Allstate has also allowed local agents to sell policies from GeoVera Insurance Co., a California-based surplus lines company, said Allstate spokesman Shane Robinson.

But with North Light, Allstate can keep that wind coverage for itself, and retain agents who sell profitable auto and life policies, said Amy Bach, head of United Policyholders, a consumer group.

"They don't want to lose their market share," she said. "Obviously, the

agent factor is a big part of this.”

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