

On the Heels of Juneteenth, Erie Insurance Company Under Fire for Alleged Discrimination Practices

Civil Rights Organizations to Join the Fight

BALTIMORE, MD, USA, June 20, 2024 /EINPresswire.com/ -- As the nation reflects on Juneteenth, a day celebrated as Freedom Day for African Americans and a time for discussions on equality, equity and opportunity, attention has returned to Erie Insurance Company and its treatment of



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Attorney S. Todd Yeary

people of color. The Maryland Insurance Administration (MIA) has been investigating claims that Erie Insurance Co. engaged in racial and geographic discrimination.

The investigation began after multiple complaints were filed, alleging discriminatory practices by Erie Insurance. In June 2023, Erie Insurance took legal action against the MIA in response to the administration’s public findings, alleging the agency had compromised the administrative proceedings by violating state and federal laws, including the improper release of the company’s confidential

information. However, the U.S. District Court for the District of Maryland dismissed Erie’s lawsuit. Erie appealed the dismissal to the U.S. Court of Appeals for the Fourth Circuit. The appellate court rebuffed Erie’s appeal in an [opinion](#) [1:23-cv-01553-JRR] issued on Tuesday.

Following an investigation, and a thorough review of administrative complaints filed by multiple Plaintiffs, the MIA determined that Erie’s actions violated Maryland state law. MIA found that Erie agents who serviced clients in Baltimore City and Prince George's County had commissions cut due to loss ratios and were required to use stricter underwriting guidelines in African American and Hispanic neighborhoods.

Attorneys S. Todd Yeary and Mark Muffoletto are representing the complainants. According to Attorney S. Todd Yeary who represents Baltimore Insurance Network, Burley Insurance and Financial Services, Ross Insurance Agency, and Welsch Insurance Group, and one other unnamed complainant, “Erie Insurance continues to avoid the fundamental issue - its illegal conduct - by requiring underwriting that is racially disparate and burdensome depending on where people live.” He added, “Racial redlining is not relegated to historical memory, and these complaints

show that Erie has taken racial redlining to an entirely new and unacceptable level.” The MIA has found Erie's behavior to be unlawful, and that reality has reignited a spark among community activists and civil rights organizations across the board.

During 2022 and 2023, the MIA received letters from the local NAACP inquiring about the progress of the investigations. The MIA confirmed in its responses that the investigations were ongoing and reiterated that, according to Maryland law, all information about its market conduct investigations would remain confidential while the investigation was pending. The division responsible for investigating individual complaints later issued four public Determination Letters indicating that Erie had violated state insurance laws. These letters referenced documents obtained during the market conduct investigation, for which the MIA had not issued a report.

The impact of the recent 4th Circuit ruling has put the spotlight back on Erie's racially discriminatory underwriting (as determined by the MIA) and the punitive actions against minority agents and agencies that serve largely minority populations in Maryland. There are other complaints that are still being evaluated by MIA against Erie.

This ongoing scrutiny underscores the critical need for transparency and accountability in ensuring that all individuals receive fair and equitable treatment, especially from institutions tasked with providing essential services. As Juneteenth reminds us of the long road toward freedom and equality, the ongoing issues with Erie Insurance serves as a stark reminder of the work that remains to be done. These complaints are not the first alleging discriminatory practices. In 2009, Erie entered into a [consent decree](#) [Case 1:08-cv-00945WMS] with the U.S Department of Housing and Urban Development (HUD) after Erie was [accused of racially discriminatory conduct](#) in the sale of homeowner's and renter's insurance policies.

Some of the agents have yet to receive their determination letters, like B.J. Borden. Mr. Borden, too, finds himself dealing with the pressure from Erie to alter underwriting [<https://www.nytimes.com/2023/10/30/business/erie-insurance-lawsuit-maryland.html>] for certain communities. Mark J. Muffoletto, Borden's attorney, agrees that it is time to do whatever is required to right this wrong. "Erie continues to try to obfuscate and delay the inevitable. Erie must do right by these agents, and Erie should know that these agents are not just going to go away."

National civil rights organizations have committed to standing with the complainant agents to



ensure that neither agents nor customers are treated unlawfully on the basis of race when it comes to accessing and purchasing automobile and homeowners insurance policies.

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