

STANDBY RELEASEALLSTATE LIFE'S HEALTHY AMERICAN PLAN

Allstate Life Insurance Company has introduced a new life insurance policy for healthy Americans.

Called the Healthy American Plan, the policy provides two premium discounts, one for people who don't smoke cigarettes and another for non-smokers who can pass a required physical examination.

Those who are 21 through 75 years of age who don't smoke cigarettes or who haven't smoked in the past 12 months are eligible for a discount.

Written certification that a prospective insured has not smoked cigarettes for a year is all that is needed for approximately a 3 percent discount depending on age. Insureds are not disqualified for the discount if they smoke pipes or cigars.

Non-smokers may qualify for an additional "good health" discount of approximately 2 percent if their medical history and other findings of a required medical exam are acceptable.

The non-smoker discount is available in face amounts of \$25,000 or more. The additional "good health" discount is available in varying face amounts depending on age.

If asked if Allstate plans to proceed with the policy, despite criticism from the tobacco industry:

Allstate feels such criticism is contrary to the Tobacco Institute's own philosophy about smoking and non-smoking, which is made apparent in the Institute's two-page advertisements that have appeared in several national magazines.

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In the context of those advertisements, entitled "A word to smokers" and "A word to non-smokers," Allstate Life's campaign can hardly be said to be "anti-smoking" or "anti-smokers."

The Tobacco Institute's advertisements make the point that smokers and non-smokers must make sensible accommodations to one another, and that "freedom of choice is the best choice." Thus, any criticism of the discount by those in the tobacco industry is completely contradictory to the institute's own advertisements. Such criticism of the Healthy American Plan may well be viewed by non-smokers as an effort to deprive them of the benefits of their own choice not to smoke. That would hardly fit the slogan "freedom of choice is the best choice."

Allstate Life's advertisements were not drafted either as an attack on the tobacco industry or as an attempt to persuade people to stop smoking. (Our TV commercials contain only four words relating to tobacco: "...because I don't smoke.") Allstate Life has merely done what almost 40 other life insurance companies have done -- offer a premium discount to people who don't smoke cigarettes.

If asked if such a plan is discriminating against tobacco farmers:

Actually, the Healthy American Plan probably will be most attractive to the applicant who has never smoked cigarettes, or the one who has not smoked in a great while. To be eligible, a prospective policyholder must not have smoked a cigarette for the past 12 months. That's one full year. So it doesn't necessarily encourage anyone to go out and quit tomorrow. Also, the plan is

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geared toward both non-smoking and physically healthy individuals. And it does not disqualify applicants who smoke cigars or pipes. If the Healthy American Plan has any impact at all on tobacco farmers, it will be negligible.

If asked if non-smokers are a better risk:

The Healthy American Plan is, in part, a product of several long-term population studies that show that one of the major risk factors for early cardiovascular and cancer deaths is cigarette smoking.

If asked what some of those studies were:

One long-term study Allstate included in its research for the plan was a National Institute of Health epidemiologic study, which lasted approximately 20 years, of 5,127 men and women between the ages of 30 and 52 who lived in Framingham, Mass.

Among other items, the Framingham study showed that people who never smoked cigarettes or who had discontinued smoking presented a considerably lower risk than average of death from heart attack. They also showed a much lower risk of death from stroke. Smokers of one pack or less a day were slightly above the average risk in mortality for heart attack and stroke. Smokers of more than one pack a day had almost twice the risk of heart attack death as did non-smokers. The risk of death by stroke was five times greater among the pack-plus per day cigarette smokers.

Another long-term program was initiated more than 30 years ago by Dr. Ancel Keys at the University of Minnesota, who observed patterns of heart disease in a few hundred middle-aged businessmen. Dr. Keys broadened his study in the mid '50s when he organized examination and follow-up programs on more than 10,000 men and women in several European countries.

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A comparable program was initiated among several thousand railroad men in the United States. These studies were supplemented by other epidemiologic studies of Chicago Peoples Gas Co. employes, Chicago Western Electric employes and the entire population of Tecumseh, Mich.

If asked if any other life insurance companies offer discounts to non-smokers:

About 40 life insurance companies in the United States offer comparable non-smoking policies, some with discounts higher than the one offered in the Healthy American Plan.

If asked if such a discount available in the Healthy American Plan is out of the ordinary for an insurance company:

Offering a non-smokers discount is entirely consistent with one of the basic principles of insurance. That is, a class of people that represents a significantly lower risk of death, based upon credible data, should not be charged the same premium as the class that presents a higher risk of death.

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Statistical Sources:

- a.) The Framingham Study
- b.) The Albany Cardiovascular Health Center Study
- c.) The Chicago People's Gas Company Study
- d.) The Chicago Western Electric Company Study
- e.) The Tecumseh Study
- f.) Several reports from the Surgeon General's office

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