

Housing Center to receive \$3 million

Cash from insurer to benefit central city

BY CLYDE HUGHES
BLADE STAFF WRITER

Liberty Mutual Insurance will give \$3.25 million to the Toledo Fair Housing Center to enhance the center's central-city investment programs, company and center officials announced yesterday.

The agreement sprung from talks after an administrative complaint was filed 18 months ago with the U.S. Department of Housing and Urban Development against Liberty Mutual, Lisa Rice, executive director of the fair housing center, said.

"The primary concern that the Toledo Fair Housing Center raised in their complaint was this whole issue of guaranteed replacement costs," John Cusolito, a Liberty Mutual spokesman, said.

Until April, 1998, homes built after 1950 had the option of being insured at their replacement value.

"They felt that limited insurance opportunities for urban residents. And it was clearly not an intended consequence on our part, so we just discontinued offering guaranteed replacement costs and now just have a uniform policy," he said.

Liberty Mutual will give the money to the fair housing center over the next two years. The money will be used to promote home ownership and maintenance in the city through counseling, financial assistance, and low-interest rehabilitation loans.

Ms. Rice said the money will help continue the city's "urban renaissance" of new homes and rehabilitated homes in the central city. Liberty Mutual officials said it wanted to make a major impact in the Toledo area.

"Our partnership with Toledo's Fair Housing Center will provide the opportunity to strengthen our commitment to Toledo neighborhoods," said Lew Ayers, Liberty Mutual's regional vice president. "Liberty Mutual believes in helping people live safer, more secure lives, and this partnership will help expand insurance opportunities for everyone."

This is the second multi-million-dollar agreement brokered by the Fair Housing Center in the past two years.

Last year, Columbus-based Nationwide Insurance agreed to pay the Fair Housing Center in Toledo \$3.5 million toward discrimination claims, \$1.5 million in attorney's fees, and \$350,000 in legal expenses as part of an out-of-court settlement.

The lawsuit contended that Nationwide declined to insure homes in predominantly African-American areas of Toledo or would not insure them at their replacement value.

In Richmond, Va., a circuit court jury awarded \$100 million to a fair housing group whose lawsuit claimed

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that Nationwide discriminated against blacks there.

Liberty Mutual officials said its case with the Toledo Fair Housing Center was much different than Nationwide's and was not influenced by the settlement or the Richmond verdict.

"We're not Johnny-come-lately," said Robert Muleski, senior vice president of personal insurance with Liberty Mutual.

"We were already working with the Fair Housing Center when the Nationwide decision came down. The more we talked, the more we realized we wanted the same thing."

Shanna Smith, executive director of the National Fair Housing Alliance in Washington, said Liberty Mutual was open to changes where Nationwide had to be taken to court.

"The difference between Liberty Mutual and Nationwide is night and day," said Ms. Smith, a Toledo native and former executive director of the Toledo Fair Housing Center.

"Liberty Mutual has significantly increased the hiring of African-American and Hispanic agents because the company wanted to move into the urban community. We didn't have to tell them to do that," she said.

Pamela Pullella, president of the Fair Housing board, said she believed insurance companies are starting to take a new look at central-city communities.

"I think [the Nationwide settlement] has caused insurers to look internally," Ms. Pullella said. "I think it's made them look at their business practices and look at areas where they may not have looked before. Nationwide was a difficult case for us. We are building greater partnerships with insurance companies."

Blade staff writer Ryan E. Smith contributed to this report.