

## Housing Group Announces Settlement of FHA Lawsuit Alleging Insurance-Related Discrimination

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The National Fair Housing Alliance (NFHA) [has announced a settlement](#) in its lawsuit against Travelers Indemnity Company in which it alleged that Travelers engaged in discriminatory conduct in violation of the Fair Housing Act (FHA).

In its lawsuit, which was filed in federal district court in Washington, D.C., NFHA alleged that Travelers had a policy of refusing to provide habitational insurance policies to landlords that rent to tenants who use Housing Choice Vouchers, also known as Section 8 vouchers. NFHA claimed that this policy had a disparate impact on African-Americans and women and served no legitimate business purpose. NFHA also alleged that Travelers' policy violated the D.C. Human Rights Act's (DCHRA) prohibition of discrimination based on race, sex, or source of income.

In response, Travelers filed a motion to dismiss in which it contended that NFHA did not have Article III standing and that NFHA had failed to plead sufficient facts to show a causal connection between its policy and any disparate impact under the heightened pleading standards established by the U.S. Supreme Court in *Inclusive Communities*.

The district court denied Travelers' motion, concluding that NFHA did have Article III standing because it had suffered an injury in fact as a result of the substantial expenditures it incurred in attempting to combat Travelers' policy through measures such as educational materials and advertisements. The court also found that NFHA had pleaded facts that, if true, "would show that Travelers' policy will exacerbate racial and sex-based disparities by having a disproportionate impact on African-Americans and members of women-headed households in the District." As a result, NFHA had stated a prima facie FHA claim under the "robust causality requirement of *Inclusive Communities*." Because the court assumed without deciding that a similar requirement applied to DCHRA claims, it found that NFHA had stated a claim under the DCHRA as well.

According to NFHA's press release about the settlement, Travelers has agreed to pay \$450,000 to NFHA for damages, costs, and fees and not to ask about the source of income of residents at D.C. properties that it considers insuring. This includes not inquiring about the Housing Choice Voucher program and other government housing subsidy programs in connection with the underwriting, pricing, or eligibility for new and existing insurance policies for private rental housing properties in D.C. Additionally, Travelers has agreed to provide training to employees involved in the sale or

underwriting of insurance for rental properties.

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