

Market Conduct Report

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

Connecticut Insurance Department

January 15, 2016

TABLE OF CONTENTS

	Page
I. <u>Introduction</u>	1
A. Statutory Authority	1
B. Scope of Examination	1
C. Company Profile	1
D. Market Conduct Reports	1
E. Privacy of Consumer Financial Information	2
II. <u>Items Examined</u>	3
A. Operations and Management	3
B. Complaint Handling	5
C. Marketing and Sales	5
D. Producer Licensing	6
E. Policyholder Service	7
F. Underwriting and Rating	7
G. Claims	12
III. <u>Summary of Recommendations</u>	17
IV. <u>Acknowledgment</u>	20

Allstate Fire and Casualty Insurance Company
 Allstate Insurance Company
 Esurance Insurance Company

I. INTRODUCTION

A. Statutory Authority

By authority granted under Section 38a-15 of the Connecticut General Statutes, this examination was conducted by Market Conduct examiners of the State of Connecticut Insurance Department at the company's office located in Rocky Hill, Connecticut.

B. Scope of Examination

From May 1, 2015 to on or about October 1, 2015, the Market Conduct Division of the Connecticut Insurance Department examined the market conduct practices of the company(s) using a sample period of July 1, 2013 through June 30, 2014. The examination was limited to Connecticut business.

C. Company Profile

<u>Company</u>	<u>Commenced Business</u>	<u>State of Domicile</u>
Allstate Fire and Casualty Insurance Company	September 6, 1972	Illinois
Allstate Insurance Company	February 9, 1931	Illinois
Esurance Insurance Company	December 1, 1933	Wisconsin

Direct premiums written as of December 31, 2013 are as follows:

	<u>Connecticut</u>	<u>Total</u>
Allstate Fire & Casualty Insurance Company	89,517,341	6,078,615,111
Allstate Insurance Company	86,673,741	26,902,466,596
Esurance Insurance Company	25,553,125	448,383,921

D. Market Conduct Reports

The examiners generated a listing of market conduct examination reports using National Association of Insurance Commissioners' I-Site. This information was used to request market conduct examination reports from the company(s).

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The examiners obtained copies of all relevant market conduct examination reports which had been issued to the company(s) during the three (3) years preceding the examination. The reports were reviewed to identify any recommendations that had been made by the respective Insurance Departments and to determine whether the company(s) had taken appropriate corrective action in response to those recommendations.

E. Privacy of Consumer Financial Information

Standard 1: The companies have adequate procedures in place for the protection of consumer financial information.

The companies appear to be in compliance.

Standard 2: The companies provide each consumer with an initial privacy notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 3: The companies provide each consumer with an annual privacy notice in accordance with statutes, rules and regulations but at a minimum annually.

The companies appear to be in compliance.

Standard 4: The companies provide each consumer with an opt out notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 5: The companies provide each consumer with a revised privacy notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 6: All notices are provided in the required timeframe so as to minimize any improper intrusion into the privacy of consumers.

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The companies appear to be in compliance.

Standard 7: The companies comply with all requirements for the disclosure of non-public personal financial information to non-affiliated third parties so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

Standard 8: The companies comply with all requirements for the disclosure and re-disclosure of non-public personal financial information so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

Standard 9: The companies have procedures for the sharing of consumer account numbers so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

II. ITEMS EXAMINED

A. Operations and Management

Standard 1: The companies have an up-to-date, valid internal or external audit program.

The companies have a corporate claim audit team. The examiners reviewed copies of the claim audit team Charter. The policies and procedures are well defined and detailed and should provide the companies with an objective measurement of the quality of claim handling.

Standard 2: The companies have appropriate controls, safeguards and procedures for protecting the integrity of computer information.

The companies' information security program was reviewed. The security team consists of more than 150 security practitioners under the guidance of a Chief Information

Allstate Fire and Casualty Insurance Company
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Security Officer. The companies have capabilities to assess, detect, prevent, respond and recover from a multitude of threats. In addition, the companies have a Vendor Security Risk Management Program that reviews the adequacy of security controls in place at third party organizations that may assess process or store information on behalf of the companies.

Standard 3: The companies have an antifraud plan in place.

The companies have an SIU unit.

Standard 4: The companies have a valid disaster recovery plan.

The companies' Business Recovery Planning Standards were reviewed for Allstate Group. The roles, requirements and logistics were extensive and well defined. In addition, different levels of exercises are performed on a as needed basis.

The examiners also received and reviewed Esurance Business Continuity and Site Event Plan in the event of an outage. The plan is well detailed and outlines duties and responsibilities in the event of a catastrophe.

Standard 5: The companies adequately monitor the activities of the managing general agents.

The companies do not have managing general agents.

Standard 6: The companies' contracts with managing general agents comply with applicable statutes, rules and regulations.

The companies do not have managing general agents.

Standard 7: Records are adequate, accessible, consistent and orderly, and comply with State record retention requirements.

The companies appear to be in compliance.

Standard 8: The companies are licensed for the lines of business that are being written.

The companies appear to be in compliance.

Allstate Fire and Casualty Insurance Company
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Esurance Insurance Company

Standard 9: The companies cooperate on a timely basis with examiners performing the examination.

The companies all cooperated on a timely basis.

B. Complaint Handling

Standard 1: All complaints are recorded in the required format on the companies' complaint register.

The examiners reviewed complaints filed with the department during the sample period:

Allstate Fire and Casualty Company	25 DOI complaints
Allstate Insurance Company	31 DOI complaints
Esurance Insurance Company	9 DOI complaints

The complaints were recorded in the proper format on the companies' complaint register. In addition, the examiners also reviewed non-department complaints on the same register with no exceptions noted.

Standard 2: The companies have adequate complaint handling procedures in place and communicate such procedures to policyholders.

The companies appear to be in compliance.

Standard 3: The companies take adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations, and contract language.

The companies appear to be in compliance.

Standard 4: The time frame within which the companies respond is in accordance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

C. Marketing and Sales

Standard 1: All advertising and sales materials are in compliance with applicable statutes, rules and regulations.

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

The companies appear to be in compliance.

Standard 2: The companies' internal producer training materials are in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 3: The companies' communications to producers are in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 4: The companies' mass marketing of property and casualty insurance is in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

D. Producer Licensing

Standard 1: The companies' records of licensed and appointed producers agree with Insurance Department's records.

The companies appear to be in compliance.

Standard 2: The producers are properly licensed and appointed in the jurisdiction where the application was taken.

The Allstate Fire & Casualty Insurance Company was not in compliance with Connecticut General Statutes.

Standard 3: Termination of producers complies with statutes regarding notification to the producer and notification to the State, if applicable.

The companies appear to be in compliance.

Standard 4: The companies' policy of producer appointments and terminations does not result in unfair discrimination against policyholders.

The companies appear to be in compliance.

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

Standard 5: Records of terminated producers adequately document the reasons for termination.

The companies appear to be in compliance.

E. Policyholder Service

Standard 1: Premium notices and billing notices are sent out with an adequate amount of advance notice.

The companies appear to be in compliance.

Standard 2: Policy issuance and insured requested cancellations are timely.

The companies appear to be in compliance.

Standard 3: All correspondence directed to the companies is answered in a timely and responsive manner by the appropriate department.

The companies appear to be in compliance.

F. Underwriting and Rating

Standard 1: The rates charged for the policy coverage are in accordance with filed rates or the company's rating plan.

Private Passenger Automobile
Esurance Insurance Company

During the manual re-rating of new business private passenger automobile policies, it was determined the company was not in non-compliance with Connecticut General Statutes, Section 38a-686.

Prior to the start of the examination, the company self-reported that it was not in compliance with Connecticut Regulation 38a-686-2 and Bulletin PC-68 with regard to the splitting of rating territories. The company did a complete review and refunded overcharged policyholders a total of \$237,767. In addition, they also corrected the issue on their system so that they are in full compliance. In the new business rating sample for the examination, eight (8) policies were found to have this incorrect territory error.

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Esurance Insurance Company

In addition to the above issue, the examiner also determined that the company was not following the Rate Order of Calculation and rounding rules on file with the Department. In two (2) instances, the rule for minor violation in Driver Tier was not followed for cell phone violations. In three (3) instances, the company was not current with vehicle symbols for model years 2013 and 2014 as the correct symbols were not actually filed until spring of 2015.

It was determined that the Expense Constant is not in compliance with Bulletin PC-68 and company is required to make a new filing with the Property Casualty Division. In addition, the Connecticut Safe Driver Classification plan the company uses for point assignment is not in the company filed rate and rules manual. A new filing is also required by the Property Casualty Division.

Standard 2: Disclosures to insureds concerning rates and coverages are accurate and timely.

The companies appear to be in compliance.

Standard 3: The companies do not permit illegal rebating, commission cutting or inducements.

The companies appear to be in compliance.

Standard 4: Credits and deviations are consistently applied on a non-discriminatory basis.

The companies appear to be in compliance.

Standard 5: Schedule rating or individual risk premium modification plans, where permitted, are based on objective criteria with usage supported by appropriate documentation.

The companies' commercial lines business was not reviewed.

Standard 6: The companies' underwriting practices are not unfairly discriminatory. The companies adhere to applicable statutes, rules, regulations and companies' guidelines in the selection of risks.

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Private Passenger Automobile
Esurance Insurance Company

It was determined that, during a review of a sample of automobile declinations, the company never filed a complete set of underwriting guidelines with the Department. Specifically, the driving record points assigned were not included. Although the company retained the MVR information for an individual, it was difficult to determine what the specific reason was for not qualifying for coverage.

Standard 7: All forms and endorsements forming a part of the contract are listed on the declarations page and should be filed with the Department of Insurance.

The companies appear to be in compliance.

Standard 8: The producers are properly licensed and appointed in the jurisdiction where the application was taken.

Private Passenger Automobile
Allstate Fire & Casualty Insurance Company

In a sample of private passenger new business policies, the examiners did not receive timely identification regarding the producers of record for six (6) policies. The company, after a delay, was able to provide the information for review but it is recommended they institute a procedure to identify producers of record in a timelier manner to keep future delays from occurring again. In one (1) instance, it was determined that a producer was not licensed.

Standard 9: Underwriting, rating and classifications are based on adequate information developed at or near inception of the coverage rather than near expiration or following a claim.

The companies appear to be in compliance.

Standard 10: File documentation adequately supports decisions made.

The companies appear to be in compliance.

Standard 11: Policies and endorsements are issued or renewed accurately, timely and completely.

The companies appear to be in compliance.

Allstate Fire and Casualty Insurance Company
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Standard 12: Audits, when required, are conducted accurately and timely.

The companies appear to be in compliance.

Standard 13: The companies verify that VIN number submitted with application is valid and that the correct symbol is utilized.

The companies appear to be in compliance.

Standard 14: The companies do not engage in collusive or anti-competitive underwriting practices.

The companies appear to be in compliance.

Standard 15: Rejections and declinations are not unfairly discriminatory.

1. Private Passenger Automobile

Esurance Insurance Company

Declinations

It was determined that the company was not in compliance with Connecticut General Statutes, Section 38a-15 with regard to lack of documentation regarding declinations.

The company advised driving record would be the only reason for declining an applicant, however, it did not provide documentation such as underwriting notes or screen shots that would identify specific reason the applicant was declined.

It is also recommended that the company file a complete set of Underwriting Guidelines with the Department and include the driving record points that are included with the filing for incidents.

Allstate Fire and Casualty Insurance Company

In a sample of automobile declinations, a total of eleven (11) new business applications were declined based on the amount of coverage requested exceeding the agents binding authority. In review of company new business criteria, this is not included in the filed eligibility criteria nor are there any references to limits that would exceed binding authority that must be referred to the company prior to binding.

Standard 16: Cancellation/non-renewal notices comply with policy provisions and State laws, and company's guidelines.

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Private Passenger Automobile

Esurance Insurance Company

Non-Renewals

In a sample of private passenger automobile non-renewals, eighteen (18) non-renewals were found to be non-specific as the notice did not list or indicate any reason on the notice of non-renewal. When questioned, the company advised that they had a data system malfunction in which the reasons for non-renewals were not being printed out on the actual notices. The company stated they did an internal review to identify any non-renewals with this issue and advised the policyholders accordingly. A total of six (6) non-renewals listed an incorrect date of DUI incidents in the notice, and six (6) non-renewals were based on exceeding eligibility points but these point guidelines were not filed with the Department. The company was advised to update and re-file its underwriting guidelines to match current underwriting criteria used.

Cancellations

In a sample of private passenger automobile cancellations, fifteen (15) did not give required fifteen days advance notice as required by Connecticut General Statute 38a-343. Seventeen (17) cancellations did not include name of driver who had the incident or violation.

Allstate Fire and Casualty Insurance Company

Non Renewals

In a sample of private passenger automobile non-renewals, the reason listed in five (5) non-renewal notices was not listed in the guidelines filed by the company.

Standard 17: Cancellation/non-renewal notices comply with policy provisions and State laws, including the amount of advance notice provided to the insured and other parties to the contract.

See above.

Standard 18: Unearned premiums are correctly calculated and returned to appropriate party in a timely manner, and in accordance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 19: Rescissions are not made for non-material misrepresentation.

The companies appear to be in compliance.

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Standard 20: All policies are correctly coded.

The companies appear to be in compliance.

G. Claims

The company(s) provided a listing of claims paid and denied during the period of examination. The claim files were reviewed to determine if they were handled in accordance with policy provisions, and applicable statutes and regulations.

Personal Lines

a. Automobile -

The review included on a sample basis:

	<u>Sample Size</u>	<u>Population Size</u>
Collision	180	7,514
Comprehensive	150	13,592
Property Damage	120	10,893
Loan Lease	5	5
Bodily Injury	150	1,298
Uninsured/Underinsured	48	152
Medical Payments	50	340
First Party Rentals	50	2,239
Subrogated	150	3,222
Litigated	65	762
Closed Without Payment	120	15,741

b. Homeowner -

The review included on a sample basis:

	<u>Sample Size</u>	<u>Population Size</u>
Paid	120	3,550
Subrogated	30	92
Litigated	10	60
Closed Without Payment	60	2,233

Standard 1: The initial contact by the companies with the claimant is within the required time frame.

The companies appear to be in compliance.

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Standard 2: Timely investigations are conducted.

The companies appear to be in compliance.

Standard 3: Claims are resolved in a timely manner.

The companies appear to be in compliance.

Standard 4: The companies respond to claim correspondence in a timely manner.

The companies appear to be in compliance.

Standard 5: Claim files are adequately documented.

Esurance Insurance Company

During the claim review, the examiners noted, with regard to the calculation of motor vehicle total loss settlements on vehicles, the company applied a condition of vehicle adjustment to the settlement amount. In some instances, these condition adjustments could exceed ten (10) percent of the vehicle's total assessed value. The examiners, in many cases, however, could not find any supporting documentation in the file to substantiate the deduction taken. If the company is going to utilize the condition adjustment, it still must provide adequate and measureable documentation detailing in a measureable manner why and how the deduction amount was determined.

If condition adjustments are going to be applied to mechanical/engine, transmission, paint, body/glass, and interior, a simple adjuster/appraiser note or comment is not sufficient. It is required that the company must undertake to provide claimants better documentation and detail any and all condition adjustment deductions taken on the total loss settlement amount.

Standard 6: Claim files are handled in accordance with policy provisions and applicable statutes, rules and regulations.

1. Private Passenger Automobile

Esurance Insurance Company

a. Automobile Collision

In some instances, claims involving total loss calculations of motor vehicles did not have adequate documentation regarding the company use of condition adjustments that were used in calculating the vehicles value.

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b. Automobile Property Damage Liability

In review of property damage liability claims, in some instances, the company did not undertake to pay loss of use as required by Connecticut Regulations 38a-334-2(c) and 38a-334-5(a).

c. Automobile Bodily Injury Liability

One (1) claim involving bodily injury was settled within fifteen days of tortuous act in violation of Section 52-572(a).

Allstate Fire and Casualty Insurance Company

a. Automobile Closed Without Payment

One (1) claim was found to have a claim handling error. A total of \$325.76 was returned to the claimant. One (1) claim involving theft of a motor vehicle was not properly closed and documented. The vehicle was recovered but insured never received vehicle back or a settlement for the claim.

b. Automobile Property Damage Liability

A total of two (2) claims did not undertake to pay loss of use coverage as required by Connecticut Regulations 38a-334-2(c) and 38a-334-5(a).

c. Bodily Injury Liability

One (1) claim involving bodily injury was settled within fifteen days of tortuous act in violation of Section 52-572(a).

Allstate Insurance Company

a. Automobile Comprehensive

One (1) unrecovered total theft of vehicle loss did not have necessary supporting documentation to substantiate the condition adjustment taken on the total loss evaluation of the vehicle.

2. Homeowners

Allstate Insurance Company

a. Subrogated

A total of two (2) claims had claim handling errors while one (1) claim had a delay in settlement.

b. Closed Without Payment

One (1) claim was found to have a claim handling error.

Standard 7: The companies use the reservation of rights and excess of loss letters when appropriate.

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The companies appear to be in compliance.

Standard 8: Deductible reimbursement to insureds upon subrogation recovery is made in a timely and accurate manner.

The companies appear to be in compliance.

Standard 9: The companies' claim forms are appropriate for the type of product.

The companies appear to be in compliance.

Standard 10: Claim files are reserved in accordance with the companies' established procedures.

The companies appear to be in compliance.

Standard 11: Denied and closed without payment claims are handled in accordance with policy provisions and State law.

The companies appear to be in compliance.

Standard 12: Cancelled benefit checks and drafts reflect appropriate claim handling procedures.

The companies appear to be in compliance.

Standard 13: Claim handling practices do not compel claimants to institute litigation, in cases of clear liability and coverage, to recover amounts due under policies by offering substantially less than is due under the policy.

The companies appear to be in compliance.

Standard 14: The companies use licensed adjusters and (Connecticut) appraisers in the handling of casualty claims.

Allstate Fire and Casualty Insurance Company
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Esurance Insurance Company

Esurance Insurance Company

Automobile

A total of eight (8) adjusters were found to be unlicensed.

Allstate Insurance Company

Automobile

A total of fifteen (15) adjusters were found to be unlicensed.

Homeowners

A total of two (2) adjusters were found to be unlicensed.

Standard 15: Loss statistical coding is complete and accurate.

The companies appear to be in compliance.

**Standard 16: Release by injured person voidable if obtained within fifteen days.
(Connecticut)**

Esurance Insurance Company

In one (1) instance, the company was not in compliance with Connecticut General Statutes, Section 52-572(a).

Allstate Fire & Casualty Insurance Company

In one (1) instance, the company was not in compliance with Connecticut General Statutes, Section 52-572(a).

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

III. SUMMARY OF RECOMMENDATIONS

Report
Section

II. D. Producer Licensing:
New Business

It is required that Allstate Fire & Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-702b with regard to producer licensing.

II. F. Underwriting and Rating:
Personal Lines – Private Passenger Automobile

It is required that Esurance Insurance Company comply with Connecticut General Statutes, Section 38a-686 with regard to private passenger automobile rating.

II. F. Underwriting and Rating:
Automobile – Non-Renewals

It is required that Esurance Insurance Company and Allstate Fire and Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-323 with regard to private passenger automobile non renewals.

II. F. Underwriting and Rating:
Automobile – Cancellations

It is required that Esurance Insurance Company comply with Connecticut General Statutes, Section 38a-343 with regard to private passenger automobile cancellations.

II. F. Underwriting and Rating:
Automobile – Declinations

It is required that Esurance Insurance Company and Allstate Fire and Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-324 with regard to private passenger automobile declinations.

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

II. F. Underwriting and Rating:

Automobile – Endorsements

It is required that Esurance Insurance Company comply with Connecticut General Statutes, Section 38a-15 with regard to private passenger automobile endorsements.

II. F. Underwriting and Rating:

Automobile – Renewals

It is required that Allstate Fire and Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-323 with regard to private passenger automobile renewals.

II. G. Claims:

Automobile

It is required that Allstate Fire and Casualty Insurance Company and Esurance Insurance Company comply with Connecticut Regulations 38a-334-(2)(c) and 38a-334-(5)(a) with regard to loss of use in the settlement of private passenger automobile property damage liability claims.

II. G. Claims:

Automobile

It is required that Allstate Insurance Company and Esurance Insurance Company comply with Connecticut General Statutes, Section 38a-15 and Bulletin IC-5 with regard to the documentation of deductions taken for vehicle condition on constructive total loss settlements.

II. G. Claims:

It is required that Allstate Insurance Company and Esurance Insurance Company comply with Connecticut General Statutes, Section 38a-792 with regard to the licensing of casualty claims adjusters.

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Esurance Insurance Company

II. G. Claims:

It is required that Allstate Fire and Casualty Insurance Company and Esurance Insurance Company comply with Connecticut General Statutes, Section 52-572a with regard to the settlement of bodily injury liability claims.

II. G. Claims:

It is required that Allstate Fire and Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-816 with regard to the settlement of automobile claims.

II. G. Claims:

It is required that Allstate Insurance Company comply with Connecticut General Statutes, Section 38a-816 with regard to the settlement of homeowner claims.

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IV. ACKNOWLEDGMENT

The courtesy and cooperation of Allstate Insurance Group during the course of this examination is acknowledged.

Mark J. Duffy, Edgar E. Frazelle, Karen A. Romero and James Stowe participated in the examination and preparation of this report.



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

----- X
IN THE MATTER OF:

DOCKET MC 16-02

ALLSTATE INSURANCE COMPANY:
-----X

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Allstate Insurance Company and the State of Connecticut Insurance Department by and through Katharine L. Wade, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Commissioner alleges the following with respect to Allstate Insurance Company:

1. Allstate Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Illinois and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 19232.
2. From May 11, 2015 through November 1, 2015, the Department conducted an examination of the Respondent's market conduct practices in the State of Connecticut covering the period from July 1, 2013 through June 30, 2014.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in the instance of:
 - a) unlicensed individuals acting as casualty claim adjusters
4. The conduct described in paragraph three is in violation of Sections 38a-792 of the Connecticut General Statutes, and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2, 38a-41 and 38a-817 of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$34,000 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to notice and a hearing; and
 - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Department has jurisdiction of the subject matter of this administrative proceeding.
2. That Allstate Insurance Company is ordered to pay a fine in the amount of Thirty Four Thousand Dollars (\$34,000).

ALLSTATE INSURANCE COMPANY

By: _____


(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 11th day of July 2016, for and on behalf of Allstate Insurance Company; that she/he is the Counsel of such company, and she/he has authority to execute and file such instrument.

By: 7276

STATE OF PENNSYLVANIA

SS

COUNTY OF CHESTER

On the 11th day of JULY 2016, before me personally appeared TIMOTHY L. KNAPP, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

Valerie A. Skurla
Notary Public/Commissioner of The Superior Court

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Valerie A. Skurla, Notary Public
Tredyffrin Twp, Chester County
My commission expires June 14, 2020

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 15 day of July 2016.

Katharine L. Wade
Katharine L. Wade
Insurance Commissioner