

**DEPARTMENT OF COMMERCE & INSURANCE**

P.O. Box 690, Jefferson City, Mo. 65102-0690

*In Re:* )  
 )  
 ALLSTATE INSURANCE COMPANY ) Market Conduct Investigation No. 360491  
 (NAIC #19232) )  
 )  
 ALLSTATE FIRE AND CASUALTY ) Market Conduct Investigation No. 401711  
 INSURANCE COMPANY (NAIC #29688) )  
 )  
 ALLSTATE PROPERTY AND CASUALTY ) Market Conduct Investigation No. 401705  
 COMPANY (NAIC #17230) )

**ORDER OF THE DIRECTOR**

NOW, on this 31<sup>st</sup> day of AUGUST, 2022, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and Allstate Insurance Company (NAIC #19232) (hereinafter “Allstate Insurance”), Allstate Fire and Casualty Insurance Company (NAIC #29688) (hereinafter “Allstate Fire”), and Allstate Property and Casualty Company (NAIC #17230) (hereinafter “Allstate Property”) (collectively referred to as “Allstate Companies”), relating to the market conduct investigations set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

**IT IS THEREFORE ORDERED** that the Allstate Companies and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

**IT IS FURTHER ORDERED** that the Allstate Companies shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place them in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

**IT IS FURTHER ORDERED** that Allstate Insurance shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$750.00, payable to the Missouri State School Fund.

**IT IS SO ORDERED.**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 31<sup>st</sup> day of AUGUST, 2022.



*Chlora Lindley-Myers*  
Chlora Lindley-Myers  
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE  
STATE OF MISSOURI**

*In Re:* )  
 )  
ALLSTATE INSURANCE COMPANY ) Market Conduct Investigation No. 360491  
(NAIC #19232) )  
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ALLSTATE FIRE AND CASUALTY ) Market Conduct Investigation No. 401711  
INSURANCE COMPANY (NAIC #29688) )  
 )  
ALLSTATE PROPERTY AND CASUALTY ) Market Conduct Investigation No. 401705  
COMPANY (NAIC #17230) )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Allstate Insurance Company (NAIC #19232) (hereinafter “Allstate Insurance”), Allstate Fire and Casualty Insurance Company (NAIC #29688) (hereinafter “Allstate Fire”), and Allstate Property and Casualty Company (NAIC #17230) (hereinafter “Allstate Property”) (collectively referred to as “Allstate Companies”), as follows:

**WHEREAS**, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter the “Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

**WHEREAS**, the Department issued Allstate Insurance, Allstate Fire, and Allstate Property a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, the Division conducted a market conduct investigation of Allstate Insurance, investigation no. 360491; and

**WHEREAS**, based on the market conduct investigation of Allstate Insurance, the Division alleges that:

1. In 10 instances<sup>1</sup>, Allstate Insurance failed to disclose, inform, or explain the Claims Satisfaction Guarantee Amendatory Endorsement (“CSG endorsement”) to insureds during the course of the claim handling process in violation of 20 CSR 100-1.020(1)(A).

2. Allstate Insurance failed to have reasonable guidelines, processes, or procedures to explain the CSG endorsement to ensure that claims are handled consistently and appropriately in violation of §§375.1005(2)<sup>2</sup> and 375.1007(3).

3. In one instance<sup>3</sup>, Allstate Insurance improperly denied a CSG endorsement claim due based upon the insured’s failure to submit a written notice within 180 days following the loss in violation 20 CSR 100-1.020(1)(D).

**WHEREAS**, Allstate Insurance denies the above allegations.

**WHEREAS**, Allstate Insurance voluntarily during the investigation provided the Division with the names of affiliated companies that use the CSG endorsement and were willing to enter into this Stipulation. These companies include Allstate Fire and Allstate Property. Market conduct investigations were opened for each company, but no findings were made pending the negotiation of this settlement.

**WHEREAS**, the Division appreciates the cooperation shown by Allstate Insurance in providing the names of these affiliated companies and in resolving the above referenced investigations.

**WHEREAS**, the Division and the Allstate Companies have agreed to fully resolve the issues raised in the above-referenced market conduct investigation as follows:

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<sup>1</sup> The examiner requested a list of notices of dissatisfaction with claims experience, identified by the Company as ‘concern files’ gathered from their consumer complaint log. The examiner requested five complete claim files and associated concern files. The error was found in all five claim files and associated concern files.

<sup>2</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

<sup>3</sup> This error was found in one file out of the five files reviewed.

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** The Allstate Companies agree to take remedial actions to resolve the errors noted in the market conduct investigation no. 360491 complying with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation no. 360491 and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. The Allstate Companies agree to revise the existing Claim Acknowledgment Letter sent to all first party claimant policyholders who have reported a claim for the purpose of informing them of the CSG endorsement and providing who to contact for additional information related to the endorsement. The Allstate Companies further agree to send the updated Claim Acknowledgment Letter going forward to each first party claimant after a claim is reported to remind them about the CSG endorsement. The Allstate Companies will inform claim representatives about the addition to the Claim Acknowledgement Letter and provide them information about how a policyholder may initiate the CSG endorsement to address policyholder questions.

2. The Allstate Companies agree to implement additional internal guidance and guidelines that it will waive the 180 day written notice requirement in the event the delay is a result of Allstate Companies actions, including delays caused by its direct repair shops.

3. The Allstate Companies have represented that they will not be extending the CSG endorsement after June 1, 2023. If the Allstate Companies decide to extend the CSG endorsement

after June 1, 2023, the Allstate Companies agree to file an amendment to the CSG endorsement to add language that waives the 180 day written notice requirement in the event the delay is a result of the Allstate Companies' actions, including delays caused by their direct repair shops. Said filing shall be submitted through the System for Electronic Rate and Form Filings (hereinafter "SERFF"). The SERFF filing will include the payment of the required filing fees and a statement indicating that "as a result of the Missouri market conduct investigation, the attached is being filed with the Department."

4. The Allstate Companies agree to conduct a review of all Missouri private passenger automobile claim files that were marked as "concern files" (described in the footnote on page 1 of this Stipulation) on or after January 1, 2019 until the date of the entry of an Order approving this Stipulation to determine if (1) the policyholder was dissatisfied with the claim handling process and Allstate did not inform the policyholder of the CSG endorsement at the time the loss was filed; or (2) the delay in submitting a written notice was the result of the Allstate Companies' actions, including their direct repair shops. If the Allstate Companies failed to review the eligibility for the CSG endorsement credit or denied the request for the CSG endorsement credit based on lack of timely notice, the Allstate Companies agree to review the "concern file" for application of the CSG endorsement credit, waiving any 180-day timeframe detailed in the endorsement. The Allstate Companies will provide the policyholder with the six-month policy premium credit for the period following the loss if all terms and conditions of the CSG endorsement are met, notwithstanding the timeliness requirement. For any policy where the CSG endorsement credit is owed, the Allstate Companies shall send a letter with the refund stating the credit is being provided as a result of a Missouri market conduct investigation.

5. Allstate Insurance agrees to provide the policyholder, identified in Finding 3 of the Investigation Findings, the six-month policy premium credit for the period following the loss.

Allstate Insurance further agrees to send the policyholder a letter stating that credit is being provided as a result of a Missouri market conduct investigation.

C. **Compliance.** The Allstate Companies agree to file documentation with the Division pursuant to §374.190, in a format acceptable to the Division, within 120 days of the entry of an Order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation or to document the payment of restitution required by this Stipulation.

D. **Voluntary Forfeiture.** Allstate Insurance agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$750.00, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

E. **Other Penalties.** The Division agrees that it will not seek penalties against the Allstate Companies, other than those agreed to in this Stipulation, in connection with market conduct investigation nos. 360491, 401705, and 401711.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by the Allstate Companies, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigations.

G. **Waivers.** The Allstate Companies, after being advised by legal counsel, do hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation nos. 360491, 401705, and 401711.

H. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and the Allstate Companies.

I. **Governing Law.** This Stipulation shall be governed by and construed in accordance with the laws of the State of Missouri.


J. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation on behalf of the Division and the Allstate Companies, respectively.

K. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

L. **Effective Date.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and order the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 8-22-2022

  
\_\_\_\_\_  
Teresa Kroll  
Chief Market Conduct Examiner  
Division of Insurance Market Regulation

DATED: \_\_\_\_\_

**Katie A**  
**Jones**  
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Katie A. Jones, Sr. Managing Counsel and Director  
Allstate Insurance Company, Allstate Fire and  
Casualty Company and Allstate Property and Casualty  
Company

Digitally signed by: Katie A Jones  
DN: CN = Katie A Jones email =  
katie.jones@allstate.com C = US  
O = Allstate Corporation  
Date: 2022.08.18 07:22:05 -05'00'