

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 15, 2015

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2015-00063

ALLSTATE INDEMNITY COMPANY,  
ALLSTATE INSURANCE COMPANY,  
and  
ALLSTATE PROPERTY AND CASUALTY  
INSURANCE COMPANY,  
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Allstate Indemnity Company, Allstate Insurance Company, and Allstate Property and Casualty Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Commonwealth"), violated: § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required in the statute; § 38.2-317 A of the Code by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least 30 days prior to their effective date; § 38.2-502 of the Code by misrepresenting the benefits, advantages, conditions or terms of insurance policies; §§ 38.2-510 A (1), 38.2-510 A (3), and 38.2-510 A (10) of the Code, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.*, by failing to properly handle claims with such frequency as to indicate a general business practice; §§ 38.2-604 A, 38.2-604 B, 38.2-604.1, 38.2-2124, 38.2-2126 A, and 38.2-2234 A of the Code by failing to accurately provide the

required notices to insureds; § 38.2-610 A of the Code by failing to accurately provide the required adverse underwriting decision and reasons to insureds; § 38.2-1318 of the Code by failing to provide convenient access to files, documents and records; § 38.2-1822 of the Code by knowingly permitting persons to act as agents without first obtaining a license in the manner and form prescribed by the Commission; § 38.2-1833 of the Code by accepting insurance applications from agents who have not been appointed; § 38.2-1905 A of the Code by increasing its insured's premium or charging points under safe driver plans as a result of a motor vehicle accident where the accident was not caused either wholly or partially by the named insured, a resident of the same household, or other customary operator; § 38.2-1906 A of the Code by failing to file all rates and supplemental rate information; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2113 C, 38.2-2114 A, 38.2-2114 E, 38.2-2208 B, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by failing to provide the insured with rate classification statements; and § 38.2-2220 of the Code by failing to use forms in the precise language of standard forms previously filed and adopted by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to the Commonwealth the sum of

One Hundred Seventy-Two Thousand Five Hundred Dollars (\$172,500), waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letters to the Bureau dated October 30, 2014, and March 16, 2015, and confirmed that restitution was made to 126 consumers in the amount of Twenty-four Thousand Seven Hundred One Dollars and Eighty-five Cents (\$24,701.85).

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Tom Mathes, State Manager, Virginia, Capital Region, Allstate Insurance Company, 15000 Conference Center Drive, Suite 400, Chantilly, Virginia 20151; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.