

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

**In Re: Allstate Fire and Casualty Company
Allstate Property and Casualty Company
Allstate Insurance Company
Allstate Indemnity Company
Docket No.: Ins. No. 24-010-EP**

CONSENT ORDER

This Consent Order is made between the New Hampshire Insurance Department (“NHID”) and Allstate Fire and Casualty Company, Allstate Property and Casualty Company, Allstate Insurance Company, and Allstate Indemnity Company, (“Respondents”), the terms of which are as follows:

FINDINGS OF FACT

1. Respondents are foreign insurance carriers domiciled in Illinois and authorized to offer property and casualty insurance in New Hampshire.
2. The NHID conducted a market conduct examination of Respondents that resulted in an examination report dated November 18, 2022, which found violations of NH law.
3. As a result, Respondents drafted a corrective action plan (“CAP”) which was approved by the NHID on March 17, 2023.
4. As part of that CAP, Respondents must provide self-audit quarterly updates to the NHID on four issues: collision deductible waiver, comparative negligence, proper communication regarding 3rd party rentals, and proper settlement of 3rd party rentals. The reporting requires an accounting of all “errors” in a claim file, with each error being a violation of NH law.

5. Throughout 2023, Respondents' self-audit and reporting under the CAP has shown a significant improvement in collision deductible waiver issue.
6. Unfortunately, Respondents' 2023 reporting has revealed that it has only partly improved its performance as to comparative negligence claims, still reporting an error ratio of 25.49%.
7. The NHID is further concerned that the error rate associated with proper communication regarding 3rd party rentals and proper settlement of 3rd party rentals has more than doubled, with an error ratio of 26.10%.
8. Respondents have been cooperative throughout the CAP and have provided information to the NHID showing that Respondents' processes are improving, and the error rates identified above are all on a downward trend.

CONCLUSIONS OF LAW

Based on the foregoing Findings of Fact and the applicable provisions of law, the NHID concludes and finds the following Conclusions of Law:

- a. Respondents are subject to the jurisdiction of the NHID.
- b. Respondents violated INS 1002 for each error identified during the review of comparative negligence, proper communication regarding 3rd party rentals, and proper settlement of 3rd party rentals.
- c. Each identified violation could result in a penalty not to exceed \$2,500.

ORDER

WHEREFORE, the NHID orders and Respondent consents to the following:

- a. The Respondents waive all rights to a formal administrative hearing in this matter and agrees that this Consent Order shall have the full force and effect of an Order fully

entered in accordance with the adjudicatory procedure provided for in NH RSA Chapter 541-A and Ins Part 200.

- b. For the purposes of resolving this matter without a formal administrative hearing,

Respondents agree to the following:

- i. Respondents shall prepare all files reviewed as part of the self-audit for review by the NHID. Said preparation shall apply both to those files already reviewed as part of the CAP, and going forward to those to be reviewed as part of the continuing obligations of the CAP as determined by the NHID.
 - ii. An administrative penalty of \$275,000. The check should be made payable to "Treasurer, State of New Hampshire", and should be mailed to the attention of Sarah Prescott, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, NH 03301.
- c. In the event that Respondents fail to meet any of the terms set forth in this section, the NHID may institute further administrative proceedings under the authority of RSA 400-A:15, III or any other applicable law.
- d. By entering into this Consent Order, the NHID and Respondents intend to resolve the administrative penalty stemming from the errors identified above. Provided however, notwithstanding the foregoing, the NHID will continue to consider the errors in the overall examination process of Respondents, and the NHID may take any and all appropriate actions should the Respondents violate any provision of the State's insurance laws or rules in the future.

- e. This Consent Order shall be fully enforceable in any Superior Court in the State of New Hampshire, and any actions to enforce this Consent Order shall be governed by the laws of the State of New Hampshire.
- f. This Consent Order is considered a public regulatory action and will be reported to the National Association of Insurance Commissioners.

IT IS SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 4/12/24


David J. Battencourt Commissioner

Date: 4/8/24

 Jenny Princer
Authorized Representative, Respondents