

No. **2024-8595**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 04/01/2024

Subject Considered:

Allstate County Mutual Insurance Company
3075 Sanders Road, Suite H1A
Northbrook, Illinois 60062-7119

Consent Order
TDI Enforcement File No. 32292

General remarks and official action taken:

This is a consent order with Allstate County Mutual Insurance Company (Allstate). The department conducted a targeted market conduct examination and found violations of Texas law. Allstate has agreed to pay an administrative penalty of \$65,000.

Waiver

Allstate acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Allstate waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

Licensure and Background

1. Allstate is a county mutual insurance company holding a certificate of authority to transact business in Texas.

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2. The department conducted a targeted market conduct examination of Allstate on its private passenger automobile line of business for the period of January 1, 2021, through December 31, 2021.
3. The purpose of the examination was to determine Allstate's compliance with the Texas Insurance Code and Texas Administrative Code related to sales, advertising, marketing, underwriting and rating, claims practices, and consumer complaints.

Underwriting and Rating

4. The department randomly sampled policies issued by Allstate in 2021 to determine accuracy of rating, use of proper forms and endorsements, timely handling of transactions and policy service requests, adherence to consistent and nondiscriminatory underwriting practices, mandatory coverages, and compliance with statutes and regulations.
5. In 20% (20 of 100) of the policies reviewed, Allstate delivered or issued policies prior to receiving written rejections for uninsured or underinsured motorist coverage.
6. In 45% (45 of 100) of the policies reviewed, Allstate delivered or issued policies prior to receiving written rejections for personal injury protection coverage.

Claims Practices

7. The department conducted stratified sampling to include all policy and coverage types for claims Allstate processed in 2021 to determine compliance with policy provisions, timeliness, and accuracy of payment, supporting documentation, general claims handling, adjuster licensing, and compliance with statutes and regulations.
8. In 8% (9 of 110) of the claims reviewed, Allstate did not mail written notice requirements to the claimant regarding motor vehicle repairs.

Mitigating Factors

9. Allstate implemented a new technology solution process for those Texas insureds who decline uninsured or underinsured motorist coverage or personal injury protection coverage. This process generates documents for signature confirming

rejection of one or both coverages five days before the policy effective date. If the insured fails to sign the document prior to the policy effective date, Allstate's system will automatically include the applicable coverage in the policy. If the insured still wishes to decline the coverage, they must contact Allstate directly to get it removed from the policy. Allstate will then collect the required signature.

10. Allstate represents the above described process, for both the uninsured or underinsured motorist coverage and the personal injury protection coverage, is working as designed and is compliant with applicable insurance laws.
11. Allstate represents it has updated its policies and procedures to include consistent mailing of the required motor vehicle repair notice and conducted refresher training with its Texas claim's staff.

Conclusions of Law


1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.051–801.053, 912.002, and 912.101–912.152.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Allstate has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Allstate violated TEX. INS. CODE § 1952.101 by failing to obtain a written rejection of uninsured or underinsured motorist coverage prior to delivery or issuance of the policy.
5. Allstate violated TEX. INS. CODE § 1952.152 by failing to obtain a written rejection of personal injury protection coverage prior to delivery or issuance of the policy.
6. Allstate violated TEX. INS. CODE § 1952.305, and 28 TEX. ADMIN. CODE § 5.501(d) by failing to provide the insured with the notice of rights regarding repair of a motor vehicle.

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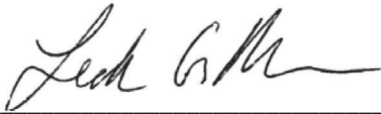
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Order

It is ordered that Allstate County Mutual Insurance Company pay an administrative penalty of \$65,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

DocuSigned by:

FC5D7EDDFB84F8... _____
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Daniels, Staff Attorney
Enforcement

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Affidavit

STATE OF Illinois §

COUNTY OF TAZEWELL §

Before me, the undersigned authority, personally appeared Fadil Ramadani, who being by me duly sworn, deposed as follows:

"My name is FADIL RAMADANI. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of STATE MANAGER and am the authorized representative of Allstate County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Allstate County Mutual Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."

[Handwritten Signature]

Affiant

SWORN TO AND SUBSCRIBED before me on MAR 2, 2024.

(NOTARY SEAL)



[Handwritten Signature]

Signature of Notary Public

Kathleen Kerr

Printed Name of Notary Public