

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF DELAWARE**

IN THE MATTER OF: )  
)  
ALLSTATE INSURANCE COMPANY )  
ALLSTATE INDEMNITY COMPANY )  
ALLSTATE PROPERTY AND CASUALTY )  
INSURANCE COMPANY )  
ENCOMPASS INSURANCE COMPANY OF )  
AMERICA )  
ENCOMPASS INDEMNITY COMPANY )  
ALLSTATE VEHICLE AND PROPERTY )  
INSURANCE COMPANY )  
)  
NAIC #19232, 19240, 17230, 10071, 15130, )  
37907 )  
)  
2775 Saunders Road )  
Northbrook, IL 60062 )

**DOCKET NO. 3997-2018**

**STIPULATION AND CONSENT ORDER**

THIS STIPULATION AND CONSENT ORDER is entered into as of

December 28<sup>th</sup>, 2018, by and between Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, Encompass Insurance Company of America, Encompass Indemnity Company, and Allstate Vehicle and Property Insurance Company (hereafter collectively the "Allstate Companies", "Respondent") and the State of Delaware Department of Insurance ("the Department"). Respondent and the Department are collectively referred to herein as the "Parties."

WHEREAS, Respondent are property and casualty insurance companies incorporated under Delaware law and authorized to conduct the business of insurance in the State of Delaware; and

**WHEREAS**, the Department, through its examiners, conducted a target market conduct examination (“Examination”) of Respondent’s affairs and practices as of May 31, 2016; and

**WHEREAS**, the Department, through its examiners, prepared and provided to Respondent for review and comment draft versions of the Examination report; and

**WHEREAS**, Respondent has reviewed and commented on such draft versions of the Examination report; and

**WHEREAS**, after considering Respondent’s comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of September 6, 2018 (“Final Examination Report”); and

**WHEREAS**, among other findings contained in the Final Examination Report, the Department concluded that the Respondent’s practices and procedures did not comply with:

18 *Del. C.* § 2304(17) Failure to Maintain Complaint Handling Procedures.

18 *Del. C.* § 2304 (2) False Information and Advertising.

18 *Del. C.* § 2517 Adherence to Filing.

18 *Del. C.* § 3905(d) and 3905(e) Cancellation or Nonrenewal of Automobile Policy.

18 *Del. Admin. C.* § 902- 1.2.1.5 and 1.2.1.6 Authority for Regulation.

**WHEREAS**, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

**NOW, THEREFORE, IT IS AGREED**, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Twelve Thousand and Five Hundred Dollars (\$ 12,500.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of Respondent and its terms are binding upon Respondent and may be admitted into evidence in any judicial or administrative proceeding against Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between Respondent and the Department.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this

Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

9. This Stipulation and Consent Order shall survive Respondent and be enforceable against its successors, transferors, or assigns.

***[Signature Page Follows]***

