

1 claim files processed by the Company during the time frame of the Examination and
2 found that Allstate failed to include all applicable taxes and fees on 60 claims.

3 5. The Examiners reviewed 50 of 377 third party automobile total loss claim
4 files processed by the Company during the time frame of the Examination and found
5 that Allstate failed to include all applicable taxes and fees on 9 claims.

6 6. Allstate's failure to pay all taxes and fees to first and third party
7 automobile total loss claimants resulted in 69 claims being underpaid a total of
8 \$1,006.83.

9 CONCLUSIONS OF LAW.

10 1. Allstate violated A.A.C. R20-6-801(H)(1)(b) and A.R.S §20-461(A)(6) by
11 not paying all applicable taxes and fees on first party automobile total losses.

12 2. Allstate violated A.R.S §20-461(A)(6) by not paying all applicable taxes
13 and fees on third party automobile total losses.

14 3. Grounds exist for the entry of the following Order in accordance with
15 A.R.S. §§ 20-220 and 20-456.

16 ORDER

17 **IT IS HEREBY ORDERED THAT:**

18 1. Allstate shall:

19 a. Use policy forms that state that the policy remains in force during
20 the grace period.

21 b. Pay all applicable taxes and fees on first and third party
22 automobile total losses.

23 2. Within 90 days of the filed date of this Order, Allstate shall submit to the
24 Arizona Department of Insurance, for approval, evidence that it has implemented
25 processes consistent with Paragraph 1 of the Order section of this Consent Order and

1 communicated those processes to the appropriate personnel. Evidence of these
2 processes and communication thereof includes, but is not limited to, memos, bulletins,
3 E-mails, correspondence, procedures manuals, print screens, and training materials.

4 3. Within 90 days of the filed date of this Order, Allstate shall pay the 18
5 insureds listed in Exhibit A of this Order \$898.74, plus interest at the rate of ten percent
6 per annum. A letter previously approved by the Director shall accompany all
7 payments. A list of payments, giving the name and address of each party paid, the
8 amount of the payment, the amount of interest paid, and the date of payment, shall be
9 provided to the Department within 90 days of the filed date of this Order.

10 4. The Department shall be permitted, through authorized representatives,
11 to verify that Allstate has complied with all provisions of this Order.

12 5. Allstate shall pay \$7,000.00 to the Director for remission to the State
13 Treasurer for deposit in the State General Fund in accordance with A.R.S. §§ 20-
14 220(B) and 20-456. This amount shall be provided to the Market Oversight Division of
15 the Department prior to the filing of this Order.

16 6. The Report of Examination of the Market Conduct Affairs of Allstate
17 Insurance Company as of February 13, 2002, including the letter of objection to the
18 Report of Examination, shall be filed with the Department upon the filing of this Order.

19 DATED at Phoenix, AZ this 24th day of October, 2003.

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21 _____
22 Charles R. Cohen
23 Director of Insurance
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EXHIBIT A

**FIRST PARTY AUTOMOBILE TOTAL LOSS SETTLEMENTS
FAILED TO INCLUDE ALL APPLICABLE TAXES AND OTHER FEES**

	<u>Insured ID Number</u>	<u>Taxes & Other Fees Due Insured</u>
	395	\$28.45
	55	\$174.97
	182	\$23.28
	168	\$19.25
	387	\$15.40
	58	\$109.45
	61	\$86.45
	169	\$14.28
	60	\$94.92
	6	\$15.79
	231	\$10.45
	16	\$29.75
	62	\$57.85
	17	\$77.15
	174	\$55.93
	54	\$35.91
	63	\$42.21
(Third Party Claim ID#)	376	<u>\$7.25</u>
	Total	\$898.74

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2 **CONSENT TO ORDER**

3 1. Allstate Insurance Company has reviewed the foregoing Order.

4 2. Allstate Insurance Company admits the jurisdiction of the Director of
5 Insurance, State of Arizona, admits the foregoing Findings of Fact, and consents to the
6 entry of the Conclusions of Law and Order.

7 3. Allstate Insurance Company is aware of the right to a hearing, at which it
8 may be represented by counsel, present evidence and cross-examine witnesses.
9 Allstate Insurance Company irrevocably waives the right to such notice and hearing
10 and to any court appeals related to this Order.

11 4. Allstate Insurance Company states that no promise of any kind or nature
12 whatsoever was made to it to induce it to enter into this Consent Order and that it has
13 entered into this Consent Order voluntarily.

14 5. Allstate Insurance Company acknowledges that the acceptance of this
15 Order by the Director of the Arizona Department of Insurance is solely for the purpose
16 of settling this matter and does not preclude any other agency or officer of this state or
17 its subdivisions or any other person from instituting proceedings, whether civil, criminal,
18 or administrative, as may be appropriate now or in the future.

19 6. John F. Haas, who holds the office of
20 Southwest Regional Counsel of Allstate Insurance Company, is authorized to enter
21 into this Order for them and on their behalf.

22 **ALLSTATE INSURANCE COMPANY**

23 10/22/03
24 Date

By JCP

1 COPY of the foregoing mailed/delivered
2 this 28th day of October , 2003, to:

3 Gerrie Marks
4 Acting Deputy Director for Regulatory Affairs
5 Mary Butterfield
6 Assistant Director
7 Consumer Affairs Division
8 Paul J. Hogan
9 Market Oversight Administrator
10 Deloris E. Williamson
11 Assistant Director
12 Rates & Regulations Division
13 Steve Ferguson
14 Assistant Director
15 Financial Affairs Division
16 Allan Griffieth
17 Chief Financial Examiner
18 Alexandra Schafer
19 Assistant Director
20 Life and Health Division
21 Terry L. Cooper
22 Fraud Unit Chief

23
24 DEPARTMENT OF INSURANCE
25 2910 North 44th Street, Second Floor
Phoenix, AZ 85018

John F. Haas, Southwest Regional Counsel
Allstate Insurance Company
5343 N. 16th Street, Suite 300
Phoenix, AZ 85016-3203


