

1 December 20, 1993, Docket No. 8300. The 1993 Consent Order stated in part as
2 follows:

3 "2. Allstate shall cease and desist from;...failing to send notices of
4 cancellation for non-payment of premium to personal automobile insureds after the
5 seven-day grace period;."

6 4. The Examiners reviewed 12 of 8,650 non-pay mid-term cancellation files
7 and 62 of 5,301 non-pay non-renewal cancellation files cancelled by the Company
8 during the examination period and found that Allstate Indemnity failed to provide the
9 minimum 7 day grace period, after the premium due date, on 60 non-pay non-renewal
10 cancellations.

11 **CONCLUSIONS OF LAW.**

12 1. Allstate Indemnity violated A.R.S §20-1632.01 by failing to provide a
13 minimum seven day grace period, after the premium due date, before canceling
14 personal automobile policies for nonpayment of premium.

15 2. Grounds exist for the entry of the following Order in accordance with
16 A.R.S. §20-220.

17 **ORDER**

18 **IT IS HEREBY ORDERED THAT:**

19 1. Allstate Indemnity Company shall cease and desist from failing to provide
20 a minimum seven day grace period, after the premium due date, before canceling
21 personal automobile policies for nonpayment of premium.

22 2. Within 90 days of the filed date of this Order, Allstate Indemnity shall
23 submit to the Arizona Department of Insurance, for approval, evidence that corrections
24 have been implemented and communicated to the appropriate personnel, regarding the
25 issues outlined in Paragraph 1 of the Order section of this Consent Order. Evidence of

1 corrective action and communication thereof includes, but is not limited to, memos,
2 bulletins, E-mails, correspondence, procedures manuals, print screens, and training
3 materials.

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

6 4. Allstate Indemnity shall pay a civil penalty of \$45,000.00 to the Director
7 for remission to the State Treasurer for deposit in the State General Fund in
8 accordance with A.R.S. §20-220(B). The civil penalty shall be provided to the Market
9 Oversight Division of the Department prior to the filing of this Order.

10 5. The Report of Target Market Examination of Allstate Indemnity Company
11 as of December 31, 2004, including the letter with their objections to the Report of
12 Examination, shall be filed with the Department upon the filing of this Order.

13
14 DATED at Phoenix, AZ this 19th day of July, 2006.

15
16 
17 _____
18 Christina Urias
19 Director of Insurance
20
21
22
23
24
25

1 **CONSENT TO ORDER**

2 1. Allstate Indemnity Company has reviewed the foregoing Order.

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

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

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

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

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

21 **ALLSTATE INDEMNITY COMPANY**

22
23 7/13/06
24 Date

23 By 

1 COPY of the foregoing mailed/delivered
2 this 26th day of July , 2006, to:

3 Gerrie Marks

Deputy Director

4 Mary Butterfield

Assistant Director

5 Consumer Affairs Division

6 Paul J. Hogan

Market Oversight Administrator

7 Market Oversight Division

8 Dean Ehler

Assistant Director

9 Property and Casualty Division

10 Steve Ferguson

Assistant Director

11 Financial Affairs Division

12 Alan Griffieth

Chief Financial Examiner

13 Alexandra Schafer

Assistant Director

14 Life and Health Division

Terry L. Cooper

Fraud Unit Chief

15 DEPARTMENT OF INSURANCE

16 2910 North 44th Street, Suite 210

17 Phoenix, AZ 85018

18
19
20 John F. Haas, Southwest Regional Counsel

Law and Regulation

21 Allstate Insurance Group

5343 North 16th Street, Suite 300

22 Phoenix, Arizona 85016-3203

23
24 