



# Illinois Department of Insurance

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JB Pritzker  
Governor

Ann Gillespie  
Acting Director

October 23, 2024

Thomas J. Wilson, Chief Executive Officer  
c/o Robert Zeman  
Allstate Insurance Group  
3100 Sanders Rd., Suite 201  
Northbrook, IL. 60062

Re: Allstate Insurance Company, NAIC 19232  
Allstate Indemnity Company, NAIC 19240  
Allstate Fire and Casualty Insurance Company, NAIC 29688  
Allstate Property and Casualty Insurance Company, NAIC 17230  
Allstate Vehicle and Property Insurance Company, NAIC 37907  
Encompass Property and Casualty Company, NAIC 10072  
Encompass Home and Auto Insurance Company, NAIC 11252  
Esurance Property and Casualty Insurance Company, NAIC 30210  
***Market Conduct Examination Report Closing Letter***

Dear Thomas J. Wilson,

The Department has received the Company's proof of compliance. Therefore, the Department is closing the file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Christopher J. Heisler  
Acting Chief Market Conduct Examiner  
Illinois Department of Insurance  
320 W. Washington St., 5th Floor  
Springfield, IL. 62767

**Illinois Department of Insurance**  
**Market Conduct Examination**

**of**

Allstate Insurance Company  
Allstate Indemnity Company  
Allstate Fire and Casualty Insurance Company  
Allstate Property and Casualty Insurance Company  
Allstate Vehicle and Property Insurance Company  
Encompass Property and Casualty Company  
Encompass Home and Auto Insurance Company  
Esurance Property and Casualty Insurance Company

## MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: February 3, 2020 through, October 10, 2020

EXAMINATION OF: Allstate Insurance Company, NAIC 19232  
Allstate Indemnity Company, NAIC 19240  
Allstate Fire and Casualty Insurance Company, NAIC 29688  
Allstate Property and Casualty Insurance Company, NAIC 17230  
Allstate Vehicle and Property Insurance Company, NAIC 37907  
Encompass Property and Casualty Company, NAIC 10072  
Encompass Home and Auto Insurance Company, NAIC 11252  
Esurance Property and Casualty Insurance Company, NAIC 30210

LOCATION: 3075 Sanders Road, Suite G4E  
Northbrook, IL. 60062

PERIOD COVERED BY EXAMINATION: February 1, 2019, through January 31, 2020  
Complaints: August 1, 2018, through January 31, 2020

EXAMINERS: Ron Cochran, MCM, APIR  
Aubrey Powell, MCM  
John Watts, MCM, APIR  
Matt David, MCM

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## **I. Foreword**

This is a market conduct examination report of Allstate Insurance Company, Allstate Indemnity Company, Allstate Fire and Casualty Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Vehicle and Property Insurance Company, Encompass Property and Casualty Company, Encompass Home and Auto Insurance Company, Esurance Property and Casualty Insurance Company (“Company” or “Companies”).

This examination was conducted at the office of the Illinois Department of Insurance in Springfield, Illinois or other authorized offsite locations.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures or files does not constitute approval thereof by the Illinois Department of Insurance (“IDOI” or “Department”).

During this examination, the examiners cited errors made by the Company. Statutory citations were as of the examination period unless otherwise noted.

## **II. Scope of the Examination**

The Department has the authority to conduct this examination pursuant to, but not limited to, 215 ILCS 5/132.

The purpose of the examination was to determine if the Company complied with the Illinois Insurance Code (215 ILCS 5/1 et seq.), the Illinois Administrative Code (50 Ill. Admin. Code 101 et seq.), and to consider whether the Company's operations are consistent with the public interest.

The primary period covered by this review was February 1, 2019, to January 31, 2020, unless otherwise noted. Errors outside of this time period discovered during the course of the examination, however, may also be included in the report.

The examination involved a comprehensive exam of the private passenger auto line of business, taxicab line of business, motorcycle line of business, homeowners' line of business, dwelling fire line of business, and the mobile home line of business.

In performing this examination, the examiners reviewed a sample of the Company's practices, procedures, operations and management, marketing and sales, underwriting and rating, risk selection, claims, complaint handling and producer licensing procedures. Therefore, some noncompliant events may not have been discovered. As such, this report may not fully reflect all of the practices and procedures of the Company. As indicated previously, failure to identify or criticize improper or noncompliant business practices in this state or other jurisdictions does not constitute acceptance of such practices.

Initially the exam included seven companies and the data was requested and received for those seven companies.

A thorough review of the data submitted for the Allstate Insurance Company, NAIC 19232 and Allstate Indemnity Company, NAIC 19240 was completed. A quick review of the claims data, underwriting data, complaint data and producer data for three of the companies (Allstate Fire and Casualty Insurance Company, NAIC 29688, Allstate Property and Casualty Insurance Company, NAIC 17230, Allstate Vehicle and Property Insurance Company, NAIC 37907) reveal that those companies also utilize the same personnel, electronic systems and documentation, processes, and form letter communication as the Allstate Insurance Company and Allstate Indemnity Company.

A review of the data submitted for Encompass Home and Auto Insurance Company, NAIC 11252 and Encompass Property and Casualty Company, NAIC 10072 also reveal that these companies also utilize the same personnel, electronic systems and documentation, processes, and form letter communication. A more thorough review of the data submitted for Encompass Home and Auto Insurance Company, NAIC 11252 was completed.

Esurance Property and Casualty Insurance Company, NAIC 30210 was added to the exam April 4, 2022.

### III. Summary

The following represent general findings; however, specific details are found in each section of the report.

#### ALLSTATE INSURANCE COMPANY

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
2	50 Ill. Adm. Code 919.80(c)(3)(A)(i)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to pay applicable sales tax and transfer and title fees	105	3	2.85%
3	50 Ill. Adm. Code 919.80(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Exhibit A within 7 days of declaring vehicle a total loss	105	7	6.67%
4	50 Ill. Adm. Code 919.80(b)(2)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	105	3	2.86%
5	215 ILCS 5/154.6 (b)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – failure to respond to pertinent communications	105	4	6.71%
14	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	108	5	4.62%
15	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1 <sup>st</sup> Party Paid Claims – provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	108	11	10.18%
16	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – provide 3 <sup>rd</sup> party a written explanation for delay 60 days from date of report if unresolved	108	1	0.93%
17	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – claim file failed to contain detailed documentation	108	1	0.93%
18	215 ILCS 5/154.6(d)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	108	2	1.85%
19	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – provide 3 <sup>rd</sup> party a written explanation for delay 60 days from date of report if unresolved	108	3	2.78%
20	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	108	2	1.85%
21	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	2	1.85%
22	50 IL Adm. Code 919.80(d)(7)(b)	Renters – 1 <sup>st</sup> Party Paid - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	30	1	3.33%
23	50 Ill. Adm. Code 919.50(a)(1)	Renters – 1 <sup>st</sup> Party Paid – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	30	1	3.33%
24	50 IL Adm. Code 919.80(d)(7)(b)	Mobile home – 1 <sup>st</sup> Party Paid - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	35	1	2.85%
25	50 IL Adm. Code 754.10	Condominium – New Business – failed to follow underwriting rules filed with the Illinois Department of Insurance for new business	25	1	4.00%
27	215 ILCS 5/154.6(c)	Dwelling Fire – 1 <sup>st</sup> Party Paid Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	1	1.31%
31	215 ILCS 5/154.6(b)	PPA – Subrogation - failure to respond to pertinent communications	105	4	3.81%
32	50 Ill. Adm. Code 919.30(c)	PPA – Subrogation - claim file failed to contain detailed documentation	105	2	1.90%
33	50 Ill. Adm. Code 919.50(a)(1)	Dwelling Fire – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	76	38	50.00%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
35	215 ILCS 5/154.6(c)	Dwelling Fire – Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	3	3.94%
36	50 IL Adm. Code 919.80(d)(7)(b)	Dwelling Fire – Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	76	1	1.31%
38	50 Ill. Adm. Code 919.50(a)(1)	Condominium - 1 <sup>st</sup> Party Paid – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	105	54	51.42%
42	50 Ill. Adm. Code 919.50(a)(1)	Renters – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	16	14	87.50%
43	50 Ill. Adm. Code 919.50(a)(1)	Mobile home - Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	14	7	50.00%
44	50 Ill. Adm. Code 919.50(a)(1)	Condominium - Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	83	31	37.34%
45	50 IL Adm. Code 919.80(d)(7)(b)	Mobile home – Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	14	2	14.28%
46	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	108	16	14.81%
47	50 IL Adm. Code 919.80(d)(7)(b)	Homeowners – Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	108	7	6.48%
48	50 Ill. Adm. Code 919.30(c)	Homeowners – Paid Claims - claim file failed to contain detailed documentation	108	1	0.93%
49	50 Ill. Adm. Code 919.50(a)	Homeowners – Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	108	1	0.93%
50	215 ILCS 5/154.6(b)	Homeowners – Paid Claims - failure to respond to pertinent communications	108	1	0.93%
51	215 ILCS 5/154.6(c)	Homeowners – Paid Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	1	0.93%
52	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	107	54	50.47%
53	215 ILCS 5/154.6(c)	Homeowners – Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	107	3	2.80%
54	50 Ill. Adm. Code 919.30(c)	Homeowners – Closed Without Payment Claims - claim file failed to contain detailed documentation	107	4	3.74%
201	215 ILCS 5/143	Policy Forms – six (6) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	6	n/a



**ALLSTATE INDEMNITY COMPANY**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
37	50 IL Adm. Code 754.10	Renters – New Business (Rule and Rate errors) rules used to underwrite but not filed with DOI – zip code 60169, remove rule 9 no longer used, clarify minimum premium of \$15. SERFF Rule filing – ALSE 132864763	25	3	n/a
40	50 IL Adm. Code 754.10	Manufactured Home – New Business (Rating errors) 10 MFH New Business policies: the Company failed to properly rate according to its rate and rule manuals: did not apply the correct Tier Group factor in three (3) instances, also applied an Original Owner Discount when policy did not qualify for the discount in seven (7) instances, one (1) instance, applied an incorrect Age of Manufactured Home factor.	25	10	40.00%
41	50 IL Adm. Code 754.10	Manufactured Home – New Business - Rule errors - writing policies with deductibles below \$500 - regarding the \$500 minimum deductible, the current risk management policy sets forth that the Company will consider writing a policy with a minimum deductible of \$500. The rate manual includes rate factors for lower deductible amounts, so the rate structure is in place if the Company wishes to offer lower deductible amounts in the future; however, it is currently choosing not to offer those lower deductible amounts. Incomplete compliance – file a rule that specifies what \$\$ deductibles are currently offered for the manufactured home Illinois policies or rule(s) the Company uses that will allow the Company to consider writing policies with deductibles below \$500.	n/a	n/a	n/a
55	50 IL Adm. Code 754.10	Private Passenger Auto – New Business - 08/01/2019-01/31/2020 - Rule errors – incorrect agent data input, UW Rule # 10 violation	25	3	12.00%
56	50 IL Adm. Code 919.80(d)(7)(b)	Condo - Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	107	4	3.73%
57	50 Ill. Adm. Code 919.50(a)(1)	Condo - Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	107	20	18.69%
58	50 Ill. Adm. Code 919.50(a)(1)	Renters – Paid Claims - failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance	83	13	15.66%
60	50 Ill. Adm. Code 919.30(c)	Renters – Paid Claims - claim file failed to contain detailed documentation	83	1	1.20%
61	50 IL Adm. Code 919.80(d)(7)(B)	Renters – Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	83	3	3.61%
63	215 ILCS 5/154.6(c)	Homeowners – Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	4	3.70%
64	50 Ill. Adm. Code 919.30(c)	Homeowners – Closed Without Payment Claims - claim file failed to contain detailed documentation	108	1	0.93%
65	50 Ill. Adm. Code 919.50(a)	Homeowners – Closed Without Payment Claims - failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	108	4	3.70%
66	215 ILCS 5/154.6(c)	Homeowners – Closed Without Payment Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	26	24.07%
67	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	108	31	28.70%
68	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	109	7	6.42%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
69	50 IL Adm. Code 919.80(d)(7)(B)	Homeowners – Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	109	1	0.91%
70	215 ILCS 5/154.6(c)	Homeowners – Paid Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	109	7	6.42%
74	215 ILCS 5/154.6(c)	Condominium – Closed Without Payment Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	105	28	26.67%
75	215 ILCS 5/154.6(c)	Condominium – Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	105	2	1.90%
76	50 Ill. Adm. Code 919.50(a)(1)	Condominium – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	105	33	31.42%
77	50 Ill. Adm. Code 919.50(a)(1)	Renters – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	83	43	51.81%
78	50 IL Adm. Code 919.80(d)(7)(B)	Renters – Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	83	9	10.84%
79	215 ILCS 5/154.6(c)	Renters – Closed Without Payment Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	35	42.17%
80	215 ILCS 5/154.6(c)	Renters – Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	1	1.20%
81	50 Ill. Adm. Code 919.30(c)	Renters – Closed Without Payment Claims - claim file failed to contain detailed documentation	83	2	2.41%
82	215 ILCS 5/154.6(b)	PPA – 1 <sup>st</sup> Party Paid Claims - failure to respond to pertinent communications	82	1	1.21%
83	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Paid Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	82	2	2.43%
84	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1 <sup>st</sup> Party Paid Claims - provide Insured a written explanation for the lower offer or denial with the Notice of Availability	82	3	3.66%
85	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1 <sup>st</sup> Party Paid Claims – provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	82	10	12.19%
86	50 Ill. Adm. Code 919.50(a)	PPA – 1 <sup>st</sup> Party Paid Claims - failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	82	1	1.21%
87	50 Ill. Adm. Code 919.30(c)	PPA – 1 <sup>st</sup> Party Paid Claims - claim file failed to contain detailed documentation	82	1	1.21%
88	50 Ill. Adm. Code 919.50(a)(1)	Dwelling Fire Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	107	18	16.82%
90	50 IL Adm. Code 919.80(d)(7)(B)	Dwelling Fire Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	107	2	1.87%
91	215 ILCS 5/397.1(a)	Dwelling Fire Paid Claims – claim paid without certificate of taxes and expenses	107	1	0.93%
92	215 ILCS 5/397.1(d)(1)	Dwelling Fire Paid Claims – fail to issue payment for tax and expense amounts on certificate presented to company	107	1	0.93%
93	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	2	2.63%
94	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	2	2.63%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
95	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1st Party Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	76	10	13.16%
96	50 Ill. Adm. Code 919.30(c)	PPA – 1st Party Closed Without Payment Claims - claim file failed to contain detailed documentation	76	1	1.31%
97	50 Ill. Adm. Code 919.50(a)	PPA – 1st Party Closed Without Payment Claims - failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	76	2	2.63%
98	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1st Party Closed Without Payment Claims - provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	76	8	10.53%
100	50 Ill. Adm. Code 919.50(a)(1)	Dwelling Fire Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	105	45	42.86%
101	215 ILCS 5/154.6(c)	Dwelling Fire Closed Without Payment Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	105	39	37.14%
102	215 ILCS 5/154.6(b)	Dwelling Fire Closed Without Payment Claims – failure to respond to pertinent communications	105	1	0.95%
103	215 ILCS 5/154.6(c)	Dwelling Fire Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	105	2	1.90%
104	50 IL Adm. Code 919.80(d)(7)(B)	Dwelling Fire Closed Without Payment Claims – provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	105	2	1.90%
108	215 ILCS 5/154.6(b)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – failure to respond to pertinent communications	76	1	1.32%
109	215 ILCS 5/154.6(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims — failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	2	2.63%
110	50 IL Adm. Code 919.80(c)(3)(A)(i)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to pay applicable sales tax and transfer and title fees	76	2	2.63%
111	50 Ill. Adm. Code 919.30(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	76	1	1.32%
112	50 Ill. Adm. Code 919.80(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Exhibit A within 7 days of declaring vehicle a total loss	76	10	13.16%
113	50 Ill. Adm. Code 919.80(b)(2)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	76	7	9.21%
114	215 ILCS 5/154.6(h)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – refusing to pay without investigating	76	1	1.32%
121	215 ILCS 5/154.6(c)	Mobile Home Paid Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	88	20	22.73%
122	50 IL Adm. Code 919.80(d)(7)(B)	Mobile Home Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	88	1	1.13%
123	50 Ill. Adm. Code 919.50(a)(1)	Mobile Home Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	88	24	27.27%
124	215 ILCS 5/154.6(c)	Mobile Home Paid Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	88	1	1.13%
125	215 ILCS 5/154.6(h)	Mobile Home Paid Claims - refusing to pay claims without conducting a reasonable investigation based on all available information	88	1	1.13%
126	215 ILCS 5/154.6(n)	Mobile Home Paid Claims – fail to provide an explanation for the compromise settlement or denial	88	1	1.13%
127	50 Ill. Adm. Code 919.50(a)(1)	Mobile Home Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	49	22	44.89%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
128	50 IL Adm. Code 919.80(d)(7)(B)	Mobile Home Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	49	1	2.04%
129	215 ILCS 5/154.6(c)	Mobile Home Closed Without Payment Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	49	20	40.81%
130	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	107	5	4.76%
131	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Paid Claims – provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	107	12	11.21%
132	215 ILCS 5/154.6(b)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to respond to pertinent communications	107	2	1.87%
133	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	107	7	6.54%
134	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Paid Claims – claim file failed to contain detailed documentation	107	1	0.93%
135	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – fail to provide 3 <sup>rd</sup> party a written explanation of denial	76	2	2.63%
136	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – claim file failed to contain detailed documentation	76	2	2.63%
137	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	76	2	2.63%
138	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	76	4	5.26%
139	215 ILCS 5/154.6(b)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – failure to respond to pertinent communications	76	3	3.95%
140	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Total Loss Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	2	2.63%
141	215 ILCS 5/143(b)	PPA – Subrogation Claims – return pro rata share of deductible upon recovery	41	1	2.50%
142	215 ILCS 5/154.6(d)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	105	1	0.95%
143	215 ILCS 5/154.6(b)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to respond to pertinent communications	105	1	0.95%
144	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – fail to provide 3 <sup>rd</sup> party a written explanation of denial	105	1	0.95%
145	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	105	9	8.57%
146	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – claim file failed to contain detailed documentation	105	3	2.86%
147	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	105	1	0.95%
148	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – fail to provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	105	1	0.95%
201	215 ILCS 5/143	Policy Forms – eleven (11) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	11	n/a

**ENCOMPASS HOME AND AUTO INSURANCE COMPANY**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
149	50 Ill. Adm. Code 919.30(c)	PPA – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	83	28	33.73%
150	215 ILCS 5/154.6(b)	PPA – 1 <sup>st</sup> Party Paid Claims - failure to respond to pertinent communications	83	5	6.02%
151	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	2	2.41%
152	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	83	1	1.20%
153	50 Ill. Adm. Code 919.50(a)	PPA – 1 <sup>st</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	83	8	9.06%
154	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	83	12	14.46%
155	215 ILCS 5/154.6(d)	PPA – 1 <sup>st</sup> Party Paid Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	83	1	1.20%
156	215 ILCS 5/154.6(h)	PPA – 1 <sup>st</sup> Party Paid Claims – refusing to pay claims without conducting a reasonable investigation based on all available information	83	1	1.20%
157	50 Ill. Adm. Code 919.30(c)	Homeowners – Paid Claims - claim file failed to contain detailed documentation	83	3	3.61%
158	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Paid Claims – claim file failed to contain detailed documentation	83	29	34.94%
159	215 ILCS 5/143.23	PPA – Non-renewals - failed to provide the proper procedure for appeal in the notice of non-renewal	4	4	100%
160	215 ILCS 5/143.23	Homeowners – Non-renewals - failed to provide the proper procedure for appeal in the notice of non-renewal	32	32	100%
161	215 ILCS 5/500-80	Producer Licensing - The company was criticized for paying a commission to agents for selling, soliciting or negotiating insurance in this State when those persons were required to be licensed under this Article and were not so licensed at the time of selling, soliciting, or negotiating the insurance.	84	3	3.57%
162	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Paid Claims - fail to provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	83	5	6.02%
163	215 ILCS 5/154.6(b)	PPA – 3 <sup>rd</sup> Party Paid Claims - failure to respond to pertinent communications	83	4	4.82%
164	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Paid Claims – fail to provide 3 <sup>rd</sup> party a written explanation of denial	83	1	1.20%
165	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	2	2.41%
166	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	83	1	1.20%
167	215 ILCS 5/154.6(c)	Homeowner Paid Claims - fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	2	2.41%
168	215 ILCS 5/154.6(c)	Homeowner Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	83	1	1.20%
169	215 ILCS 5/397.1(d)(1)	Homeowner Paid Claims – fail to issue payment for tax and expense amounts on certificate presented to company	83	1	1.20%
170	50 Ill. Adm. Code 919.50(a)(1)	Homeowner Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	83	28	33.73%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
171	50 IL Adm. Code 919.80(d)(7)(B)	Homeowner Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	83	6	7.22%
172	50 Ill. Adm. Code 919.30(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	76	25	32.89%
173	50 Ill. Adm. Code 919.30(c)	Dwelling Fire Paid Claims – claim file failed to contain detailed documentation	9	1	11.11%
174	215 ILCS 5/154.6(b)	Dwelling Fire Paid Claims - failure to respond to pertinent communications	9	1	11.11%
175	50 Ill. Adm. Code 919.50(a)(1)	Dwelling Fire Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	9	1	11.11%
176	50 IL Adm. Code 919.80(d)(7)(B)	Dwelling Fire Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	7	1	14.29%
177	50 Ill. Adm. Code 919.50(a)(1)	Dwelling Fire Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	7	4	57.14%
186	50 Ill. Adm. Code 919.50(a)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	83	3	3.95%
187	50 Ill. Adm. Code 919.50(a)(1)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	76	26	34.21%
188	215 ILCS 5/154.6(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	6	7.89%
189	50 IL Adm. Code 919.80(c)(3)(A)(i)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to pay applicable sales tax and transfer and title fees	76	2	2.63%
190	50 Ill. Adm. Code 919.80(b)(2)	PPA – Total Loss - 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	76	10	13.16%
191	50 IL Adm. Code 919.80(c)(2)(e)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – file failed to include the documentation on how the market value of the insured’s vehicle was determined	76	1	1.32%
192	50 IL Adm. Code 919.80(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Exhibit A within 7 days of declaring vehicle a total loss	76	76	100%
193	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1st Party Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	82	1	1.22%
194	50 Ill. Adm. Code 919.30(c)	PPA – 1st Party Closed Without Payment Claims - claim file failed to contain detailed documentation	82	8	9.76%
195	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1st Party Closed Without Payment Claims - provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	82	10	12.20%
196	215 ILCS 5/154.6(c)	PPA – 1st Party Closed Without Payment Claims - failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	82	4	4.88%
197	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	82	42	52.44%
198	50 IL Adm. Code 919.80(d)(7)(B)	Homeowners – Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	82	6	7.32%
199	215 ILCS 5/154.6(c)	Homeowners – Closed Without Payment Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	82	3	3.66%
200	50 Ill. Adm. Code 919.30(c)	Homeowners – Closed Without Payment Claims - claim file failed to contain detailed documentation	82	8	9.76%

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
202	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	76	12	15.79%
203	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims - claim file failed to contain detailed documentation	76	13	17.11%
204	215 ILCS 5/154.6(d)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	76	4	5.26%
205	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – fail to provide 3 <sup>rd</sup> party a written explanation of denial	76	1	1.32%
206	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	76	9	11.84%
207	50 Ill. Adm. Code 919.30(c)	PPA – Subrogation Claims - claim file failed to contain detailed documentation	76	50	65.79%
201	215 ILCS 5/143	Policy Forms – five (5) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	5	n/a

**ESURANCE PROPERTY AND CASUALTY INSURANCE COMPANY**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
178	50 IL Adm. Code 754.10	PPA w/ renters – New Business (Rating error) – failed to follow rules filed – Good Student discount	25	1	4.00%
179	50 IL Adm. Code 754.10	PPA w/ renters – New Business (Rating error) – failed to follow rules filed – Excluded driver – Household Usage	25	1	4.00%
182	50 IL Adm. Code 754.10	PPA w/ renters – New Business (Rating error) – failed to file rules to apply the Expense Constant factor	25	25	100%
183	50 IL Adm. Code 754.10	PPA – New Business (Rating error) – failed to follow rules filed – Good Student discount	25	2	8.00%
184	50 IL Adm. Code 754.10	PPA – New Business (Rating error) – failed to file VIN number rating factors used	25	1	4.00%
185	50 IL Adm. Code 754.10	PPA – New Business (Rating error) – failed to file rules to apply the Expense Constant factor	25	25	100%
208	50 Ill. Adm. Code 919.50(a)(1)	Motorcycle – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	5	1	20.00%
209	50 Ill. Adm. Code 919.30(c)	Motorcycle – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	4	1	25.00%
210	50 Ill. Adm. Code 919.50(a)(1)	Motorcycle – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	4	1	25.00%
211	215 ILCS 5/154.6(b)	PPA – 1 <sup>st</sup> Party Paid Claims - failure to respond to pertinent communications	108	2	1.85%
212	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	3	2.78%
213	215 ILCS 5/154.6(d)	PPA – 1 <sup>st</sup> Party Paid Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	108	1	0.93%
214	50 Ill. Adm. Code 919.50(a)	PPA – 1 <sup>st</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	108	4	3.70%
215	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	108	5	4.63%
216	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	108	5	4.63%
217	50 Ill. Adm. Code 919.30(c)	PPA – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	108	12	11.11%
218	50 Ill. Adm. Code 919.50(a)(1)	Homeowner Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	97	12	12.37%
219	50 IL Adm. Code 919.80(d)(7)(B)	Homeowner Paid Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	97	4	4.12%
220	50 Ill. Adm. Code 919.30(c)	Homeowners – Paid Claims - claim file failed to contain detailed documentation	97	2	2.06%
221	50 IL Adm. Code 919.80(d)(7)(B)	Homeowners – Closed Without Payment Claims - provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability	97	2	2.06%
222	50 Ill. Adm. Code 919.50(a)(1)	Homeowners – Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	97	1	1.03%
223	50 Ill. Adm. Code 919.50(a)(1)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	107	96	89.72%
224	50 IL Adm. Code 919.80(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – provide Exhibit A within 7 days of declaring vehicle a total loss	107	107	100%



Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
225	215 ILCS 5/154.6(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	107	109	96.26%
226	50 Ill. Adm. Code 919.30(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – claim file failed to contain detailed documentation	107	52	48.60%
227	215 ILCS 5/154.6(d)	PPA – Total Loss - 1 <sup>st</sup> Party Paid Claims – failed to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	107	3	2.80%
228	50 Ill. Adm. Code 919.50(a)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	107	1	0.93%
229	50 IL Adm. Code 919.80(c)(3)(A)(i)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – fail to pay applicable sales tax and transfer and title fees	107	22	20.56%
230	215 ILCS 5/154.6(c)	PPA – Total Loss – 1 <sup>st</sup> Party Paid Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	107	1	0.93%
231	50 Ill. Adm. Code 919.80(b)(2)	PPA – Total Loss - 1 <sup>st</sup> Party Paid Claims – fail to provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	107	30	28.04%
232	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Paid Claims - claim file failed to contain detailed documentation	108	1	0.93%
233	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Paid Claims - fail to provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	108	3	2.78%
234	50 Ill. Adm. Code 919.50(a)	PPA – 3 <sup>rd</sup> Party Paid Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	108	1	0.93%
235	50 Ill. Adm. Code 919.50(a)(1)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims – fail to provide Insured a written explanation for the lower offer or denial with the Notice of Availability	108	8	7.41%
236	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	1	0.93%
237	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	108	3	2.78%
238	215 ILCS 5/154.6(c)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims - misrepresent relevant facts or policy provisions relating to coverages at issue	108	3	2.78%
239	50 Ill. Adm. Code 919.80(b)(2)	PPA – 1 <sup>st</sup> Party Closed Without Payment Claims – fail to provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability	108	1	0.93%
240	50 Ill. Adm. Code 919.80(b)(3)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – provide 3 <sup>rd</sup> Party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability	107	3	2.80%
241	215 ILCS 5/154.6(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – failure to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	107	1	0.93%
242	50 Ill. Adm. Code 919.30(c)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims - claim file failed to contain detailed documentation	107	2	1.86%
243	50 Ill. Adm. Code 919.50(a)(2)	PPA – 3 <sup>rd</sup> Party Closed Without Payment Claims – fail to provide 3 <sup>rd</sup> party a written explanation of denial	107	2	1.86%
244	215 ILCS 5/143b)	PPA – Subrogation Claims – return pro rata share of deductible upon recovery	107	1	0.93%
245	50 Ill. Adm. Code 919.50(a)	PPA – Subrogation Claims – failure to offer payment within 30 days of affirmation of liability, amount is determined and not in dispute	107	2	1.86%

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY:**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
72	50 Ill. Adm. Code 754.10	Motor Home – New Business (Rating error) – failed to follow rules filed – Rule 20 – Motor Home type	25	5	20.00%
73	50 Ill. Adm. Code 754.10	Motor Home – New Business (Rules error) – failed to file – Motor Home type definitions (Rule 20)	25	n/a	Filed rule
105	50 Ill. Adm. Code 754.10	Motorcycle – New Business (Rating error) – failed to file – zip code in use with rating factors	25	1	4.00%
106	50 Ill. Adm. Code 754.10	Motorcycle – New Business (Rules error) – failed to file default values for zip codes not filed	25	1	4.00% - Filed rule
201	215 ILCS 5/143	Policy Forms – four (4) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	4	n/a

**ALLSTATE VEHICLE AND PROPERTY INSURANCE COMPANY:**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
201	215 ILCS 5/143	Policy Forms – three (3) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	3	n/a

**ENCOMPASS PROPERTY AND CASUALTY INSURANCE COMPANY:**

Crit #	Statute/Rule	Survey / Description	Files Reviewed	Errors	Error %
201	215 ILCS 5/143	Policy Forms – one (1) coverage forms (ii) contain inconsistent, ambiguous, or misleading clauses,	n/a	1	n/a

## IV. Background

Allstate Insurance Company (AIC or the Company) commenced business on April 16, 1931, following incorporation as a casualty insurer on March 21, 1931, in accordance with the provisions of Article II, entitled Domestic Stock Companies of the Illinois Insurance Code.

Up until 1993, the Company was an indirect wholly owned subsidiary of Sears, Roebuck and Company, a New York corporation, originated from an enterprise established in 1886 and headquartered in Illinois. The Company changed corporate ownership in November 1992 with the formation of The Allstate Corporation (Allstate Corp), a Holding Company. In March 1993, Sears, Roebuck and Company contributed all of the Company's issued and outstanding common stock to its wholly owned subsidiary, Allstate Holdings, Inc. On the same day, Allstate Holdings, Inc. contributed the shares of the Company to its wholly owned subsidiary, Allstate Corp. Allstate Corp became a publicly owned company with the general public obtaining 19.9% of the outstanding shares on June 9, 1993, through an initial public offering.

On November 10, 1994, Sears, Roebuck and Company announced intentions to distribute its 80.1% ownership in Allstate Corp to its shareholders. This was approved by Sears, Roebuck and Company shareholders at a special meeting on March 31, 1995. Subsequently, 80.1% ownership in Allstate Corp was distributed to the common shareholders of Sears, Roebuck and Company through a tax-free dividend on June 30, 1995.

On December 31, 2008, Allstate Corp transferred its shares of the Company to its direct wholly owned subsidiary, Allstate Insurance Holdings, LLC (AIH), a newly formed entity.

On February 23, 2012, the Company went through a corporate restructuring which transferred all of the issued and outstanding stock of Allstate Indemnity Company (AI), Allstate Fire and Casualty Insurance Company (AFCIC) and Allstate Property and Casualty Insurance Company (APC) from the Company to AIH by means of a dividend.

The Allstate Indemnity Company (the Company) was incorporated on July 7, 1960, as National Emblem Insurance Company (NEIC) to provide non-standard auto insurance to new or existing Allstate customers. NEIC was authorized to commence business on December 12, 1960. On January 21, 1974, NEIC changed its name to Allstate Indemnity Company.

On February 23, 2012, the Company's parent, Allstate Insurance Company (AIC), transferred all of the issued and outstanding stock of the Company to Allstate Insurance Holdings, LLC (AIH) by payment of a stock dividend.

Allstate Fire and Casualty Insurance Company (the Company) was known as PMI Insurance Company until 1994 when the Company changed its name to Forestview Mortgage Insurance Company. Effective March 28, 2001, the Company changed its name to Allstate Fire and Casualty Insurance Company and was re-domesticated from California to Illinois.

Effective January 1, 2001, the Company was quasi-reorganized. With approval from the Illinois Department of Insurance, the Company returned \$99,800,000 of capital to Allstate Insurance Company (AIC). This quasi-reorganization and return of capital eliminated the Company's December 31, 2000, unassigned funds debit balance and reduced its gross paid in surplus to \$10,702,164.

In addition, the Company converted 94,000 shares of outstanding common capital stock with a par value of \$30 each into 28,200 shares of common capital stock with a par value of \$100 each. The Company also issued an additional 41,800 shares of common capital stock with a par value of \$100 each to AIC for \$4,180,000. The cost of the shares was transferred from gross paid in and contributed surplus to common capital stock.

On February 23, 2012, the Company's parent, AIC, transferred all of the issued and outstanding stock of the Company to Allstate Insurance Holdings, LLC (AIH) by payment of a stock dividend.

Allstate Property and Casualty Insurance Company (the Company) commenced business on April 1, 1985, following incorporation on February 14, 1985, under the laws of the State of Illinois. The Company was established to underwrite business using strategic risk management rating plans.

On February 23, 2012, the Company's parent, Allstate Insurance Company (AIC), transferred all of the issued and outstanding stock of the Company to Allstate Insurance Holdings, LLC (AIH) by payment of a stock dividend.

Allstate Vehicle and Property Insurance Company (the Company) was formerly known as Belvedere America Reinsurance Company, and before that, Commercial Union Reinsurance Company. The Company was organized under the laws of the State of Delaware on August 20, 1979. Following approval from the Delaware Department of Insurance, the Company was purchased as a shell from Christiana General Insurance Corporation by Allstate Insurance Company (AIC) on November 9, 1993. Effective November 30, 1993, the Company's name was changed to Allstate National Insurance Company. The name was again changed in April 1995, by amendment to the Articles of Incorporation, to Deerbrook Insurance Company. On December 1, 1995, under Articles of Reorganization, the Company redomiciled to the State of Illinois.

In 1996, the Company acquired the independent agent contracts and associated premium held by All Nation Insurance Company and Colonial Insurance Company, both non-standard auto carriers.

In June 2011, the Company's name was changed to Allstate Vehicle and Property Insurance Company by amendment to the Articles of Incorporation. At this time, the Company was also re-purposed from writing non-standard auto through independent agents to writing Allstate brand property insurance.

In 1897, the company that would become Encompass began selling personal insurance under the motto "Protection and Security." The company's package policy dates back to then.

In 1999, Illinois-based Allstate Insurance Company purchased the personal lines insurance business from CNA Financial when CNA moved toward commercial lines. Allstate then introduced the Encompass name to its subsidiary in 2000. Encompass distributes its products through 6,500 independent agency locations in 42 states.

Esurance Property and Casualty Insurance Company, re-domesticated from Wisconsin to Illinois on 6/24/2020 and currently remains domiciled in Illinois. The company writes private passenger auto, motorcycle, homeowner's and renter's insurance policies produced through its agency affiliate, EISI.

The company began as Pacific Security Insurance Company on 10/22/1987. On 12/11/1995, the company was renamed General Accident Reinsurance Company of America. The company was renamed Esurance Property and Casualty Insurance Company on 1/2/2002.

On 10/7/2011, Allstate acquires Esurance and Answer Financial from White Mountains Holdings.

The company had re-domesticated from California to Wisconsin on 5/1/2015.

Reinsures 100% of business to AIC Property & Casualty Insurance Company.

**Allstate Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 19232

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$69,077,256	\$70,355,638	\$13,560,474	\$13,169,579
2018	Homeowners	\$84,427,591	\$85,659,830	\$42,496,694	\$39,136,217
2019	PPA	\$63,576,174	\$65,039,696	\$12,615,641	\$12,292,801
2019	Homeowners	\$81,069,063	\$82,726,421	\$52,934,838	\$58,433,258
2020	PPA	\$54,037,620	\$55,884,234	\$7,881,559	\$8,094,168
2020	Homeowners	\$78,188,975	\$79,620,792	\$45,435,885	\$42,161,682

**Allstate Indemnity Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 19240

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$5,948,233	\$5,843,097	\$2,203,443	\$2,172,048
2018	Homeowners	\$118,251,116	\$122,959,234	\$75,273,346	\$70,155,631
2019	PPA	\$6,064,867	\$6,048,143	\$2,217,012	\$2,309,589
2019	Homeowners	\$109,115,919	\$113,756,520	\$88,038,565	\$93,559,828
2020	PPA	\$11,916,935	\$12,520,233	\$8,342,266	\$7,830,626
2020	Homeowners	\$104,879,646	\$106,990,558	\$73,636,522	\$67,546,227

**Allstate Fire and Casualty Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 29688

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$319,099,438	\$317,333,952	\$168,726,993	\$186,116,994
2018	Homeowners	\$0	\$0	\$0	\$0
2019	PPA	\$320,847,066	\$318,433,928	\$190,465,150	\$205,497,331
2019	Homeowners	\$0	\$0	\$0	\$0
2020	PPA	\$319,077,020	\$321,700,779	\$183,641,699	\$167,684,066
2020	Homeowners	\$0	\$0	\$0	\$0

**Allstate Property and Casualty Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 17230

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$23,612,323	\$24,284,576	\$15,969,541	\$14,416,497
2018	Homeowners	\$39,485,805	\$41,529,724	\$27,945,012	\$25,068,192
2019	PPA	\$21,978,755	\$22,211,834	\$17,632,376	\$13,904,013
2019	Homeowners	\$36,513,602	\$38,108,581	\$32,830,016	\$36,277,998
2020	PPA	\$18,645,961	\$19,292,911	\$14,935,046	\$6,111,819
2020	Homeowners	\$34,306,712	\$34,435,511	\$29,980,803	\$26,442,113

**Allstate Vehicle and Property Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 37907

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$0	\$0	\$0	\$0
2018	Homeowners	\$183,902,524	\$167,199,440	\$108,375,967	\$114,992,429
2019	PPA	\$0	\$0	\$0	\$0
2019	Homeowners	\$218,266,538	\$200,714,900	\$177,531,121	\$202,090,127
2020	PPA	\$0	\$0	\$0	\$0
2020	Homeowners	\$257,850,283	\$236,755,952	\$197,402,954	\$201,243,894

**Encompass Property and Casualty Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 10072

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$188,234	\$199,861	\$74,760	\$73,053
2018	Homeowners	\$361,405	\$399,909	\$451,425	\$486,523
2019	PPA	\$157,157	\$174,063	\$64,927	\$67,732
2019	Homeowners	\$326,854	\$343,232	\$109,591	\$58,158
2020	PPA	\$128,765	\$137,558	\$23,429	\$19,471
2020	Homeowners	\$275,946	\$301,163	\$85,218	\$82,773

**Encompass Home and Auto Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 11252

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$5,437,974	\$5,042,970	\$2,868,148	\$2,933,422
2018	Homeowners	\$10,887,278	\$10,631,594	\$5,507,536	\$5,910,411
2019	PPA	\$6,592,989	\$6,019,898	\$4,115,768	\$4,079,198
2019	Homeowners	\$11,357,324	\$11,037,612	\$7,342,998	\$8,082,552
2020	PPA	\$6,266,086	\$6,429,797	\$3,281,787	\$3,355,939
2020	Homeowners	\$10,974,076	\$11,401,143	\$10,165,350	\$10,753,793

**Esurance Property and Casualty Insurance Company**

2018, 2019 and 2020 NAIC Annual Statement (Illinois) reflects the following: NAIC # 30210

Year	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
2018	PPA	\$27,929,880	\$27,951,309	22,355,800	\$22,391,748
2018	Homeowners	\$1,383,081	\$1,399,838	\$529,516	\$421,584
2019	PPA	\$28,667,580	\$28,067,994	\$23,900,744	\$24,245,549
2019	Homeowners	\$1,326,682	\$1,333,789	\$595,084	\$589,411
2020	PPA	\$30,315,853	\$29,875,127	\$23,049,323	\$23,147,682
2020	Homeowners	\$1,244,351	\$1,272,967	\$355,229	\$304,231

## V. Methodology

### Risk Selection

Cancellations and non-renewals of existing policy holders were requested on the basis of the effective date of the transaction falling within the period under examination. Cancellations and non-renewals were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and for any possible discrimination.

### Underwriting

The underwriting of new applicants for coverage with the company was selected based on the inception date of the policy falling within the period under examination. New policies were reviewed for rating accuracy, use of filed rates, use of filed forms, for compliance with company underwriting guidelines and to ensure that the coverage provided was as requested by the applicant.

### Claims

Claims were requested based on the settlement occurring or the claim file being closed without payment within the period under examination.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 et seq. and 820 ILCS 305/1 et seq.) and Part 919 (Ill. Adm. Code Title 50: Part 919).

### Complaints

Complaints were reviewed for completion, accuracy and validity of the complaint based on complaints received by the Department of Insurance during the examination experience period and the accuracy and completeness of the Company complaint log.

## VI. Selection of Sample

### Allstate Insurance Company

Area	Survey	# Reviewed	% Reviewed
Risk Selection	PPA - Cancellations	117	27.83%
Risk Selection	HO – Cancellations	138	6.47%
Risk Selection	HO-Deluxe Plus – Cancellations	124	6.40%
Risk Selection	HO-Condo - Cancellations	117	3.58%
Risk Selection	Renters – Cancellations	113	16.76%
Risk Selection	Mobile Home – Cancellations	71	100.00%
Risk Selection	PPA - Non-Renewals	31	100.00%
Risk Selection	HO – Non-Renewals	113	11.60%
Risk Selection	HO-Deluxe Plus – Non-Renewals	84	23.14%
Risk Selection	HO-Condo - Non-Renewals	28	100.00%
Risk Selection	Renters – Non-Renewals	2	100.00%
Risk Selection	Mobile Home - Non-Renewals	65	100.00%
Underwriting	PPA - New Business	0	0%
Underwriting	HO – New Business	0	0%
Underwriting	HO-Deluxe Plus – New Business	0	0%
Underwriting	HO-Condo – New Business	25	0.32%
Underwriting	Renters – New Business	0	0%
Underwriting	Mobile Home – New Business	0	0%
Underwriting	PPA - Renewals	116	0.15%
Underwriting	HO – Renewals	116	0.41%
Underwriting	HO-Deluxe Plus – Renewals	116	0.46%
Underwriting	HO-Condo - Renewals	116	0.15%
Underwriting	Renters – Renewals	115	3.86%
Underwriting	Mobile Home - Renewals	113	17.96%
Claims	PPA - 1st Party Paid	108	4.65%
Claims	PPA - 1st Party CWP	107	9.04%
Claims	PPA - 3rd Party Paid	108	4.09%
Claims	PPA - 3rd Party CWP	108	4.57%
Claims	PPA – Subrogation	105	16.80%
Claims	PPA – 1st Party Total Losses Paid	105	15.88%
Claims	PPA – 3rd Party Total Losses Paid	82	38.31%
Claims	Home – HO – Paid (2nd pull)	108	2.71%
Claims	Home – HO – CWP (2nd pull)	107	6.33%
Claims	Home – Condo – Paid (2nd pull)	105	16.07%
Claims	Home – Condo - CWP (2nd pull)	83	20.34%
Claims	Home – Renters – Paid (2nd pull)	30	100.00%
Claims	Home – Renters – CWP (2nd pull)	16	100.00%
Claims	DF - Paid (2nd pull)	76	41.08%
Claims	DF - CWP (2nd pull)	76	71.02%
Claims	Mobile home - Paid (2nd pull)	35	100.00%
Claims	Mobile home CWP (2nd pull)	14	100.00%
n/a	DOI Complaints	71	100.00%
n/a	Consumer Complaints	113	100.00%
n/a	Producer Licensing	113	100.00%



### Allstate Indemnity Company

Area	Survey	# Reviewed	% Reviewed
Risk Selection	PPA - Cancellations	174	1.83%
Risk Selection	HO – Cancellations	165	
Risk Selection	HO-Deluxe Plus – Cancellations	150	
Risk Selection	HO-Condo - Cancellations	122	
Risk Selection	Renters – Cancellations	137	
Risk Selection	Mobile Home – Cancellations	126	
Risk Selection	Motorcycle – Cancellations	53	100.00%
Risk Selection	PPA - Non-Renewals	21	100.00%
Risk Selection	HO – Non-Renewals	114	
Risk Selection	HO-Deluxe Plus – Non-Renewals	113	
Risk Selection	HO-Condo - Non-Renewals	66	100.00%
Risk Selection	Renters – Non-Renewals	22	
Risk Selection	Mobile Home - Non-Renewals	42	100.00%
Underwriting	PPA - New Business (8/1/19-1/31/20)	25	
Underwriting	PPA - New Business (2/1/19-7/31/19)	25	
Underwriting	HO – New Business		
Underwriting	HO-Deluxe Plus – New Business		
Underwriting	HO-Condo – New Business		
Underwriting	Renters – New Business	25	
Underwriting	Mobile Home – New Business	25	
Underwriting	PPA - Renewals	116	
Underwriting	HO – Renewals	116	
Underwriting	HO-Deluxe Plus – Renewals	116	
Underwriting	HO-Condo - Renewals	116	
Underwriting	Renters – Renewals	116	
Underwriting	Mobile Home - Renewals	114	
Underwriting	Motorcycle - Renewals	86	
Claims	PPA – 1 <sup>st</sup> Party Paid	82	
Claims	PPA – 1 <sup>st</sup> Party CWP	76	
Claims	PPA – 3 <sup>rd</sup> Party Paid	107	
Claims	PPA – 3 <sup>rd</sup> Party CWP	105	
Claims	PPA – 1 <sup>st</sup> Party Subrogation	41	
Claims	PPA – 1 <sup>st</sup> Party Total Losses Paid	76	
Claims	PPA – 3 <sup>rd</sup> Party Total Losses Paid	76	
Claims	Home – HO – Paid (2 <sup>nd</sup> pull)	109	
Claims	Home – HO – CWP (2 <sup>nd</sup> pull)	108	
Claims	Home – Condo – Paid (2 <sup>nd</sup> pull)	107	
Claims	Home – Condo - CWP (2 <sup>nd</sup> pull)	105	
Claims	Home – Renters – Paid (2 <sup>nd</sup> pull)	83	
Claims	Home – Renters – CWP (2 <sup>nd</sup> pull)	83	
Claims	DF - Paid (2 <sup>nd</sup> pull)	107	
Claims	DF - CWP (2 <sup>nd</sup> pull)	105	
Claims	Mobile home - Paid (2 <sup>nd</sup> pull)	88	
Claims	Mobile home CWP (2 <sup>nd</sup> pull)	49	
Claims	Motorcycle – 1 <sup>st</sup> Party Paid	3	
Claims	Motorcycle – 3 <sup>rd</sup> Party CWP	3	
Claims	Motorcycle – 1 <sup>st</sup> Party – Total Losses Paid	1	
Claims	Motorcycle – 1 <sup>st</sup> Party Subrogation	1	
n/a	DOI Complaints	96	
n/a	Consumer Complaints	113	
n/a	Producer Licensing	113	

### Encompass Home and Auto Insurance Company

Area	Survey	# Reviewed	% Reviewed
Risk Selection	PPA - Cancellations	131	
Risk Selection	HO – Cancellations	114	
Risk Selection	HO-Deluxe Plus – Cancellations		
Risk Selection	HO-Condo - Cancellations		
Risk Selection	Renters – Cancellations		
Risk Selection	Mobile Home – Cancellations		
Risk Selection	DF - Cancellations	64	
Risk Selection	Motorcycle – Cancellations	15	
Risk Selection	PPA - Non-Renewals	35	
Risk Selection	HO – Non-Renewals	32	
Risk Selection	HO-Deluxe Plus – Non-Renewals		
Risk Selection	HO-Condo - Non-Renewals		
Risk Selection	Renters – Non-Renewals		
Risk Selection	Mobile Home - Non-Renewals		
Risk Selection	DF-Renewals	2	
Underwriting	PPA - New Business	25	
Underwriting	HO – New Business	25	
Underwriting	HO-Deluxe Plus – New Business		
Underwriting	HO-Condo – New Business	25	
Underwriting	Renters – New Business	25	
Underwriting	Mobile Home – New Business		
Underwriting	Motorcycle – New Business	25	
Underwriting	PPA - Renewals	25	
Underwriting	HO – Renewals	25	
Underwriting	HO-Deluxe Plus – Renewals		
Underwriting	HO-Condo - Renewals		
Underwriting	Renters – Renewals		
Underwriting	Mobile Home - Renewals		
Underwriting	Motorcycle - Renewals	79	
Claims	PPA - 1st Party Paid	83	
Claims	PPA - 1st Party CWP	82	
Claims	PPA - 3rd Party Paid	83	
Claims	PPA - 3rd Party CWP	82	
Claims	PPA – Subrogation	76	
Claims	PPA – 1st Party Total Losses Paid	76	
Claims	PPA – 3rd Party Total Losses Paid	31	
Claims	Home – HO – Paid (2nd pull)	105	
Claims	Home – HO – CWP (2nd pull)	82	
Claims	Home – Condo – Paid (2nd pull)		
Claims	Home – Condo - CWP (2nd pull)		
Claims	Home – Renters – Paid (2nd pull)		
Claims	Home – Renters – CWP (2nd pull)		
Claims	DF - Paid (2nd pull)	9	
Claims	DF - CWP (2nd pull)	10	
Claims	Mobile home - Paid (2nd pull)		
Claims	Mobile home CWP (2nd pull)		
n/a	DOI Complaints	6	
n/a	Consumer Complaints	4	
n/a	Producer Licensing	84	

**Esurance Property and Casualty Insurance Company**

Area	Survey	# Reviewed	% Reviewed
Risk Selection	PPA - Cancellations	190	
Risk Selection	HO – Cancellations		
Risk Selection	HO-Deluxe Plus – Cancellations		
Risk Selection	HO-Condo - Cancellations		
Risk Selection	Renters – Cancellations		
Risk Selection	Mobile Home – Cancellations		
Risk Selection	DF - Cancellations		
Risk Selection	Motorcycle – Cancellations	132	
Risk Selection	PPA - Non-Renewals	113	
Risk Selection	HO – Non-Renewals		
Risk Selection	HO-Deluxe Plus – Non-Renewals		
Risk Selection	HO-Condo - Non-Renewals		
Risk Selection	Renters – Non-Renewals		
Risk Selection	Mobile Home - Non-Renewals		
Risk Selection	DF – Non-Renewals		
Risk Selection	Motorcycle – Non-Renewals	18	
Underwriting	PPA - New Business	25	
Underwriting	PPA w/ renters – New Business	25	
Underwriting	HO – New Business		
Underwriting	HO-Deluxe Plus – New Business		
Underwriting	HO-Condo – New Business		
Underwriting	Renters – New Business		
Underwriting	Mobile Home – New Business		
Underwriting	Motorcycle – New Business	25	
Underwriting	PPA - Renewals	116	
Underwriting	PPA w/ renters - Renewals	115	
Underwriting	HO – Renewals		
Underwriting	HO-Deluxe Plus – Renewals		
Underwriting	HO-Condo - Renewals		
Underwriting	Renters – Renewals		
Underwriting	Mobile Home - Renewals		
Underwriting	Motorcycle - Renewals	84	
Claims	PPA - 1st Party Paid	108	
Claims	PPA - 1st Party CWP	108	
Claims	PPA - 3rd Party Paid	108	
Claims	PPA - 3rd Party CWP	107	
Claims	PPA – Subrogation	107	
Claims	PPA – 1st Party Total Losses Paid	107	
Claims	PPA – 3rd Party Total Losses Paid		
Claims	Motorcycle – 1st Party Paid	4	
Claims	Motorcycle – 1st Party CWP	5	
Claims	Motorcycle – 3rd Party Paid	4	
Claims	Motorcycle – 3rd Party - CWP	3	
Claims	Motorcycle - Subrogation	1	
Claims	Home (Renters) – Paid	97	
Claims	Home (Renters) – CWP	97	
Claims	DF - Paid (2nd pull)		
Claims	DF - CWP (2nd pull)		
Claims	Mobile home - Paid (2nd pull)		
Claims	Mobile home CWP (2nd pull)		
n/a	DOI Complaints	32	
n/a	Consumer Complaints	16	
n/a	Producer Licensing	113	

## VII. Findings

### A. Risk Selection

1. Allstate Insurance Company
  - a. Cancellations
    - No criticisms
  - b. Non-renewals
    - i. No criticisms
2. Allstate Indemnity Company
  - a. Cancellations
    - i. No criticisms
  - b. Non-renewals
    - i. No Criticisms
3. Encompass Home and Auto Insurance Company
  - a. Cancellations
    - i. No criticisms
  - b. Non-renewals
    - i. Private Passenger Auto
      - Criticism #159 - The Company was criticized for failing to provide the proper procedure for appeal in the notice of non-renewal provided to the insured in violation of 215 ILCS 5/143.23. The non-renewal notice failed to include the DOI Chicago office address.
    - ii. Homeowners
      - Criticism #160 - The Company was criticized for failing to provide the proper procedure for appeal in the notice of non-renewal provided to the insured in violation of 215 ILCS 5/143.23. The non-renewal notice failed to include the DOI Chicago office address.
4. Esurance Property and Casualty Insurance Company
  - a. Cancellations
    - i. No criticisms
  - b. Non-renewals
    - i. No criticisms

### B. Underwriting

1. Allstate Insurance Company
  - a. New Business
    - i. Condominium - New Business
      - Criticism #25 - The Company was criticized for failing to properly apply the multiple policy discount used in the calculation of premium as filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
  - b. Renewals
    - i. No criticisms
2. Allstate Indemnity Company
  - a. New Business
    - i. Renters
      - Criticism #37 - The Company was criticized for rule errors – failure to file updates and changes applicable to the underwriting and rating of policies in violation of 50 Ill. Adm. Code 754.10(b).

- ii. Mobile Home
        - Criticism #40 - The Company was criticized for failing to properly rate policies according to its rate and rule manuals as filed in violation of 50 Ill. Adm. Code 754.10(b).
        - Criticism #41 - The Company was criticized for failing to file rules applicable to rates filed for lower deductible amounts that are not offered, the scheduled personal property rate and rules manuals used were not filed in violation of 50 Ill. Adm. Code 754.10(b).
      - iii. Private Passenger Auto
        - Criticism #55 - The Company was criticized for failing to follow Rule 10 – Assignment of Rating Territory on three (3) policies as filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
    - b. Renewals
      - i. No criticisms
  - 3. Encompass Home and Auto Insurance Company
    - a. New Business
      - i. No criticisms
    - b. Renewals
      - i. No criticisms
  - 4. Esurance Property and Casualty Insurance Company
    - a. New Business
      - i. Private Passenger Auto w/ Renters
        - Criticism #178 - The Company was criticized for failing to follow Rule D12 – Good Student Discount filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
        - Criticism #179 - The Company was criticized for failing to follow Rule D02 – Household Vehicle Usage Factor filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
- Criticism #182 - The Company was criticized for failing to file all rules applicable to Rule P12 – Premium Calculation and the Rating Algorithm with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
- ii. Private Passenger Auto
      - Criticism #183 - The Company was criticized for failing to follow Rule D12 – Good Student Discount filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
      - Criticism #184 - The Company was criticized for failing to follow Rule D02 – Household Vehicle Usage Factor filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
      - Criticism #185 - The Company was criticized for failing to file all rules applicable to Rule P12 – Premium Calculation and the Rating Algorithm with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
    - b. Renewals
      - i. No criticisms
  - 5. Allstate Property and Casualty Insurance Company
    - a. New Business
      - i. Motor home
        - Criticism #72 - The Company was criticized for failing to follow Rule 20 – Motor Home Type with the Illinois Department of

Insurance in violation of 50 Ill. Adm. Code 754.10(b). The Company reimbursed \$181.41 for overcharged premiums to three (3) insureds.

- Criticism #73 - The Company was criticized for failing to file all rules applicable to Rule 20 – Motor Home Type with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).

ii. Motorcycle

- Criticism #105 - The Company was criticized for failing to file all rates and rules applicable to zip code (60487) that has not been filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).
- Criticism #106 - The Company was criticized for failing to file all rules used and applicable to a default value for a zip code not filed with the Illinois Department of Insurance in violation of 50 Ill. Adm. Code 754.10(b).

iii. Policy forms

- Criticism #201 - The Company (\*six (6) companies) was criticized for using policy forms that (i) violates any provision of this Code, (ii) contains inconsistent, ambiguous, or misleading clauses, or (iii) contains exceptions and conditions that will unreasonably or deceptively affect the risks that are purported to be assumed by the policy in violation of 215 ILCS 5/143(2).

## C. Claims

1. Allstate Insurance Company

a. Private Passenger Auto

i. Paid Claims Medians

- First Party was 17 days
- First Party Total Loss was 12 days
- Third Party was 39 days
- Third Party Total Loss was 20 days

ii. Total Loss – First Party Paid

- Criticism #2 - The company was criticized for failing to reimburse the insured the amount for the applicable sales taxes and transfer and title fees incurred on account of the purchase or lease of a replacement vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). The company issued payments totaling \$1,369.27 on three (3 of 105) claims reviewed.
- Criticism #3 - The company was criticized for failing to provide the insured with, at a minimum, the information contained in Exhibit A of this Part within 7 days after making the determination that the insured's vehicle is a total loss in violation of 50 Ill. Adm. Code 919.80(c).
- Criticism #4 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80 (b)(2).
- Criticism #5 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).

- iii. First Party – Paid
    - Criticism #15 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
  - iv. Third Party - Closed Without Payment
    - Criticism #16 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
    - Criticism #17 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
    - Criticism #18 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
    - Criticism #19 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).
    - Criticism #20 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a). The company issued payments totaling \$1,978.78 on two (2 of 108) claims reviewed.
  - v. Third Party – Paid
    - Criticism #21 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - vi. Subrogation
    - Criticism #31 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
    - Criticism #32 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- b. Renters
- i. First Party Paid
    - Criticism #22 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).

- Criticism #23 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
      - ii. First Party Closed Without Payment
        - Criticism #42 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- c. Mobile Home
  - i. First Party Paid
    - Criticism #24 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
  - ii. First Party Closed Without Payment
    - Criticism #43 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #45 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
- d. Dwelling Fire
  - i. First Party Paid
    - Criticism #27 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).



- ii. First Party Closed Without Payment
  - Criticism #33 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - Criticism #35 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #36 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
- e. Condominium
  - i. First Party Paid
    - Criticism #38 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - ii. First Party Closed Without Payment
    - Criticism #44 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- f. Homeowners
  - i. First Party Paid
    - Criticism #46 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- Criticism #47 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
  - Criticism #48 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism #49 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
  - Criticism #50 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
  - Criticism #51 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- ii. First Party Closed Without Payment
- Criticism #52 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - Criticism #53 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #54 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
2. Allstate Indemnity Company
- a. Private Passenger Auto
- i. Paid Claims Median:
- First Party was 28 days
  - First Party Total Loss was 19 days
  - Third Party was 48 days
  - Third Party Total Loss was 40 days

ii. First Party Paid

- Criticism #82 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
- Criticism #83 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #84 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- Criticism #85 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code Section 919.80(b)(2).
- Criticism #86 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
- Criticism #87 - The company was criticized (#87) for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).

iii. First Party Closed Without Payment

- Criticism #93 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
- Criticism #94 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #95 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- Criticism #96 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).

- Criticism #97 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
  - Criticism #98 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
- iv. Total Loss First Party Paid
- Criticism #108 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
  - Criticism #109 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #110 - The company was criticized for failing to reimburse the insured the amount for the applicable sales taxes and transfer and title fees incurred on account of the purchase or lease of a replacement vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i).
  - Criticism #111 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism # 112 - The company was criticized for failing to provide the insured with, at a minimum, the information contained in Exhibit A of this Part within 7 days after making the determination that the insured's vehicle is a total loss in violation of 50 Ill. Adm. Code 919.80(c).
  - Criticism #113 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
  - Criticism #114 - The company was criticized for failing to conduct a reasonable investigation based on all available information to determine whether a claims payment should be made in violation of 215 ILCS 5/154.6(h).
- v. Total Loss Third Party Paid
- Criticism #135 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).
  - Criticism #136 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).

- Criticism #137 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
  - Criticism #138 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
  - Criticism #139 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b). The Company issued payment of \$167.57 (Item # 42).
  - Criticism #140 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- vi. Subrogation
- Criticism #141 - The company was criticized for failing to promptly refund the pro-rata portion of the deductible to the insured upon recovery of a subrogated loss claim, in violation of 215 ILCS 5/143b. The Company issued payment of \$450.00 (Item # 17).
- vii. Third Party Closed Without Payment
- Criticism #142 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
  - Criticism #143 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
  - Criticism #144 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).
  - Criticism #145 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #146 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism #147 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

- Criticism #148 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
- b. Renters
- i. First Party Paid
    - Criticism #58 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #60 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
    - Criticism #61 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
  - ii. First Party Closed Without Payment
    - Criticism #77 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #78 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
    - Criticism #79 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c)..
    - Criticism #80 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

- Criticism #81 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- c. Mobile Home
- i. First Party Paid
    - Criticism #121 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
    - Criticism #122 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
    - Criticism #123 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #124 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
    - Criticism #125 - The company was criticized for failing to conduct a reasonable investigation based on all available information to determine whether a claims payment should be made in violation of 215 ILCS 5/154.6(h).
    - Criticism #126 - The company was criticized for failing to promptly provide a reasonable and accurate explanation of the basis in the insurance policy or applicable law for such denial or compromise settlement in violation of 215 ILCS 5/154.6(n).
  - ii. First Party Closed Without Payment
    - Criticism #127 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #128 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the

Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).

- Criticism #129 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
- Criticism #130 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
- Criticism #131 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
- Criticism #132 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
- Criticism #133 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #134 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).

d. Dwelling Fire

i. First Party Paid

- Criticism #88 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- Criticism #90 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
- Criticism #91 - The company was criticized for failing to secure the certificate required per 215 ILCS 5/397.1 before issuing payment for damage to the structure in violation of 215 ILCS 5/397.1.



- Criticism #92 - The company was criticized for failing to pay the reported unpaid delinquent property taxes and unpaid incurred demolition expense from the proceeds payable by issuing a draft or check payable to the appropriate tax collector or unit of local government in violation of 215 ILCS 5/397.1(d)(1).
- ii. First Party Closed Without Payment
- Criticism #100 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - Criticism #101 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
  - Criticism #102 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
  - Criticism #103 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #104 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
- e. Condominium
- i. First Party Paid
- Criticism #56 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80(d)(7)(b).
  - Criticism #57 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- ii. First Party Closed Without Payment
  - Criticism #74 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
  - Criticism #75 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #76 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- f. Homeowners
  - i. First Party Closed Without Payment
    - Criticism #63 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
    - Criticism #64 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
    - Criticism #65 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
    - Criticism #66 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
    - Criticism #67 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- ii. First Party Paid
    - Criticism #68 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #69 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
    - Criticism #70 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
3. Encompass Home and Auto Insurance Company
- a. Private Passenger Auto
    - i. Paid Claims Median
      - First Party was 25 days
      - First Party Total Loss was 11 days
      - Third Party was 32 days
    - ii. First Party Paid
      - Criticism #149 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
      - Criticism #150 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
      - Criticism #151 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
      - Criticism #152 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
      - Criticism #153 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

- Criticism #154 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
- Criticism #155 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
- Criticism #156 - The company was criticized for failing to conduct a reasonable investigation based on all available information to determine whether a claims payment should be made in violation of 215 ILCS 5/154.6(h).

iii. Third Party Paid

- Criticism #158 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #162 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
- Criticism #163 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
- Criticism #164 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).
- Criticism #165 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #166 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

iv. Total Loss First Party Paid

- Criticism #172 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #186 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a). The Company issued payments totaling \$365.49 to insureds.

- Criticism #187 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - Criticism #188 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
  - Criticism #189 - The company was criticized for failing to reimburse the insured the amount for the applicable sales taxes and transfer and title fees incurred on account of the purchase or lease of a replacement vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). The Company issued payment of \$317.44 to the insured.
  - Criticism #190 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
  - Criticism #191 - The company was criticized the Company claim file failing to include the documentation on how the market value of the insured's vehicle was determined in violation of 50 Ill. Adm. Code 919.80(c)(2)(E).
  - Criticism #192 - The company was criticized for failing to provide the insured with, at a minimum, the information contained in Exhibit A of this Part within 7 days after making the determination that the insured's vehicle is a total loss in violation of 50 Ill. Adm. Code 919.80(c).
- v. First Party Closed Without Payment
- Criticism #193 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - Criticism #194 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism #195 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).

- Criticism #196 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- vi. Third Party Closed Without Payment
- Criticism #202 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
  - Criticism #203 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism #204 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
  - Criticism #205 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).
  - Criticism #206 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
- vii. Subrogation
- Criticism #207 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- b. Dwelling Fire
- i. Paid
- Criticism #173 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
  - Criticism #174 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
  - Criticism #175 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- ii. Closed Without Payment
  - Criticism #176 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
  - Criticism #177 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- c. Homeowners
  - i. Paid
    - Criticism #157 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
    - Criticism #167 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
    - Criticism #168 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
    - Criticism #169 - The company was criticized for failing to secure the certificate required per 215 ILCS 5/397.1 before issuing payment for damage to the structure in violation of 215 ILCS 5/397.1.
    - Criticism #170 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #171 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).

- ii. Closed Without Payment
    - Criticism #197 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
    - Criticism #198 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
    - Criticism #199 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
    - Criticism #200 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
4. Esurance Property and Casualty Insurance Company:
- a. Private Passenger Auto
    - i. Paid Claims Median
      - First Party was 35 days
      - First Party Total Loss was 12 days
      - Third Party was 44 days
    - ii. First Party Paid
      - Criticism #211 - The company was criticized for failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).
      - Criticism #212 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
      - Criticism #213 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
      - Criticism #214 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
      - Criticism #215 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the



policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- Criticism #216 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).
- Criticism #217 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).

iii. Total Loss First Party Paid

- Criticism #223 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- Criticism #224 - The company was criticized for failing to provide the insured with, at a minimum, the information contained in Exhibit A of this Part within 7 days after making the determination that the insured's vehicle is a total loss in violation of 50 Ill. Adm. Code 919.80(c).
- Criticism #225 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
- Criticism #226 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #227 - The company was criticized for failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).
- Criticism #228 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).
- Criticism #229 - The company was criticized for failing to reimburse the insured the amount for the applicable sales taxes and transfer and title fees incurred on account of the purchase or lease of a replacement vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). The Company issued payments totaling \$1,646.01 to insureds.
- Criticism #230 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and

settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

- Criticism #231 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).

iv. Third Party Paid

- Criticism #232 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #233 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).
- Criticism #234 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

v. First Party Closed Without Payment

- Criticism #235 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
- Criticism #236 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #237 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in their written correspondence in violation of 215 ILCS 5/154.6(c).
- Criticism #238 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #239 - The company was criticized for failing to provide the insured with a reasonable written explanation for the delay when the claim remained unresolved more than 40 days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).

vi. Third Party Closed Without Payment

- Criticism #240 - The company was criticized for failing to provide a reasonable written explanation for the delay to the third-party claimant when the property damage liability claim remains

unresolved in excess of 60 calendar days from the date it is reported, in violation of 50 Ill. Adm. Code 919.80(b)(3).

- Criticism #241 - The company was criticized for failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).
- Criticism #242 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- Criticism #243 - The company was criticized for failing to provide the third party a reasonable written explanation of the basis for the denial in violation of 50 Ill. Adm. Code 919.50(a)(2).

vii. Subrogation

- Criticism #244 - The company was criticized for failing to promptly refund the pro-rata portion of the deductible to the insured upon recovery of a subrogated loss claim, in violation of 215 ILCS 5/143b. The Company issued payment of \$2.40 (Item # 43).
- Criticism #245 - The company was criticized for failing to tender payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

b. Homeowners

i. Closed Without Payment

- Criticism #221 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
- Criticism #222 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

ii. Paid

- Criticism #218 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

- Criticism #219 - The company was criticized for failing to provide a reasonable written explanation for the delay to the insured when the claim remained unresolved for more than 75 calendar days from the date it is reported that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.80d(7)(B).
  - Criticism #220 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
- c. Motorcycle
- i. First Party Closed Without Payment
    - Criticism #208 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).
  - ii. First Party Paid
    - Criticism #209 - The company was criticized for the Company claim file failing to contain detailed documentation in order to permit reconstruction of the company's activities in violation of 50 Ill. Adm. Code 919.30(c).
    - Criticism #210 - The company was criticized for failing to provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed that clearly sets forth the policy definition, limitation, exclusion or condition upon which denial was based that includes the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1).

#### D. Policyholder service

1. Allstate Insurance Company
  - a. Department Complaints
    - i. There were no criticisms in the DOI Complaints survey.
  - b. Consumer Complaints
    - i. There were no criticisms in the Consumer Complaints survey.
  - c. Producer Licensing
    - i. There were no criticisms in the Producers Licensing survey.
2. Allstate Indemnity Company
  - a. Department Complaints
    - i. There were no criticisms in the DOI Complaints survey.
  - b. Consumer Complaints
    - i. There were no criticisms in the Consumer Complaints survey.
  - c. Producer Licensing
    - i. There were no criticisms in the Producers Licensing survey.

3. Encompass Home and Auto Insurance Company
  - a. Department Complaints
    - i. There were no criticisms in the DOI Complaints survey.
  - b. Consumer Complaints
    - i. There were no criticisms in the Consumer Complaints survey.
  - c. Producer Licensing
    - Criticism #161 - The company was criticized for paying a commission to agents for selling, soliciting or negotiating insurance in this State when those persons were required to be licensed under this Article and were not so licensed at the time of selling, soliciting, or negotiating the insurance in violation of 215 ILCS 5/500-80(a).
4. Esurance Property and Casualty Insurance Company
  - a. Department Complaints
    - i. There were no criticisms in the DOI Complaints survey.
  - b. Consumer Complaints
    - i. There were no criticisms in the Consumer Complaints survey.
  - c. Producer Licensing
    - i. There were no criticisms in the Producers Licensing survey.

## VIII. Related Findings

Multiple companies (Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, Allstate Vehicle and Property Insurance Company, Encompass Home and Auto Insurance Company, Encompass Property and Casualty Company) were criticized (# 201) for filing and using policy forms / endorsements in Illinois that contain inconsistent, ambiguous, or misleading clauses or contains exceptions and conditions that will unreasonably or deceptively affect the risks that are purported to be assumed by the policy in violation of 215 ILCS 5/143(2).

The Company responded, “We respectfully disagree with the criticism.

Our disagreement is based on, among other reasons, multiple prior approvals of this language by the Illinois Department of Insurance, with the most recent being in March 2022 (SERFF #\_GMMX-133069493) by Encompass and in October 2022 (SERFF # ALSE-133389733 by Allstate. We believe the term “inception” has a commonly understood meaning and is not ambiguous.

We also note that the language subject to the criticism has been filed with and approved by the vast majority of other states’ insurance regulatory authorities. We request that the criticism be withdrawn.”

The term “inception” was found in each of the policy forms/endorsements listed in the table below. The term is undefined in any of the policy forms/endorsements listed in the table below. The use of the undefined term “inception” in the policy forms/endorsements results in the beginning date of the one (1) year time-period in which the insured may bring suit or action against the Company as undefined and unknown and therefore, the expiration date of the one (1) year time-period in which the insured may bring suit or action against the Company is also undefined and unknown.

A list of the forms / endorsements that contain the term “inception” is below:

Policy Form ID	Policy Form title	Page Number
AP2	Deluxe HO	Page 17
AP3	Deluxe Plus HO	Page 18
AP148	Standard Select Value HO	Page 14
AP149	Deluxe Select Value HO	Page 17
AP780	Deluxe HO	Page 17
AP782	Deluxe Plus HO	Page 17
AP784	Deluxe Select Value HO	Page 17
AP785	Standard Select Value HO	Page 14
APC220	Homeowners	Page 18
APC221	Select Homeowners	Page 19
APC491	IL Amend Endorsement	Page 4
AS74	Manufactured Home	Page 15
AS147-1	Manufactured Home IL Amend Endorsement	Page 5
AU277-2	Standard Fire Policy	Page2
AVP81	House & Home	Page 16
AVP86-1	IL Amend Endorsement	Page6
AVP101	Standard Fire Policy	Page 2
F1A1010	Dwelling Fire	Page 13
H1A1010	Elite Home	Page 16
H2A1010	Deluxe Home	Page 16
H3A1010	Special Home	Page14
H4A1010	Special Value Home	Page 14
G172574A0807	Special Value Home	Page 13
*AS894	Condominium Owners	Page 14
*AS84	Landlords Package	Page 14
*AP786	Renters	Page 10
*AP181	Landlords Package	Page 15
*AP7	Condominium Owners	Page 12
*AP5	Renters	Page 10

(\*document not provided, retrieved via claims reviewed on the NextGen claim system)

The list of forms / endorsements below include language in Section I Conditions or “Requirements in case loss occurs”, under the titles “What You Must Do After A Loss” or “Requirements in case loss occurs.” Includes language that requires the policyholder to provide a signed, sworn proof of the loss 60 days after the loss.

The following example of this language is from Page 15 of the AP2 – Deluxe Homeowners Policy form:

**“3. What You Must Do After A Loss**

In the event of a loss to any property that may be covered by this policy, **you** must:

*g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:”*

This language is in violation of 215ILCS 5/143(2)(iii) as it “contains exceptions and conditions that will unreasonably or deceptively affect the risks that are purported to be assumed by the policy”.

Of specific concern is that this language in the policy forms / endorsements that requires a “signed, sworn proof of the loss within 60 days of the loss”, is in direct conflict with the purpose and terms of the Illinois Administrative Code, section 919.80d)7)B):

“B) If a claim on a policy of fire and extended coverage insurance, as defined in Section 143.13 of the Code [215 ILCS 5/143.13], **remains unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss**, whichever is less, the company shall provide a reasonable written explanation for the delay to the insured.”

As per the Illinois Administrative Code, section 919.80d)7)B), the Company is not required to provide a written explanation for the reason of the delay for the claims resolution to the insured until 75 days after the date the claim is reported, or 25 calendar days after receipt of proof of loss, whichever is less. The policy language in the listed policy forms / endorsements actually requires the insured to submit a signed, sworn proof of the loss within 60 days after the loss with a request from the company. This jeopardizes any available coverage for the loss if the insured, regardless of the facts of the claim, is deemed non-compliant with the terms of the policy by not being aware of the policy requirement to submit a “signed, sworn proof of the loss” regardless of the facts of the claim and the resulting damages are then not paid by the policy.

The Company claims personnel is obviously unaware of the policy language requiring a signed, sworn proof of loss as per the consistent written response submitted to nine (9) criticisms (Criticism # 66, Criticism # 70, Criticism # 74, Criticism # 79, Criticism # 89, Criticism # 93, Criticism # 101, Criticism # 121, and Criticism # 129) that includes the following statement:

*“Typically, a sworn proof of loss is only requested from customers in scenarios that require formal claims handling, such as large losses, SIU investigations, etc. A sworn proof of loss has to be notarized and may delay claims handling”.*

In support of the Company’s neglect to provide documents in response to the claim being reported is also found in the copy of the Claims Handling Manuals – Property – Chapter 4 – Investigation under the title **II. Proof of Loss – Guideline** it states, “Obtaining sworn statements is discretionary. However, regardless of claim value, when fraud is suspected, a sworn statement is required for non-Auto Property loss claims.”

The Company’s documented activities in response to a claim being reported, in which the insureds policy included one of these listed policy forms / endorsements, confirmed the Company does not provide a copy of a “Sworn Statement in Proof of Loss” form to be completed by the insured, although the Company provided copies of these documents in response to this exam.



A list of the forms / endorsements that contain the language requiring a signed, sworn proof of loss 60 days after the loss is below:

<b>Policy Form ID</b>	<b>Policy Form title</b>
AP2	Deluxe HO
AP3	Deluxe Plus HO
AP148	Standard Select Value HO
AP149	Deluxe Select Value HO
AP780	Deluxe HO
AP782	Deluxe Plus HO
AP784	Deluxe Select Value HO
AP785	Standard Select Value HO
AP786	Renters
APC220	Homeowners
APC221	Select Homeowners
APC491	IL Amend Endorsement
AS74	Manufactured Home
AU277-2	Standard Fire Policy
AVP81	House & Home
AVP101	Standard Fire Policy
U10119	Standard Fire Policy
U10120	Standard Mobile Home Policy
*AP786	Renters
*AP181	Landlords Package
*AP7	Condominium Owners
*AP5	Renters

At a minimum, the Company’s failure to provide the necessary form is a violation of 215 ILCS 5/154.6o) for each claim reported when one of the policy forms / endorsements listed are included as part of an insured’s policy. In support of this violation, the Company responded to Request # 85 from the Data Request Letter that requests “examples of all claim forms used during the claim process for each line of business under review and that were used during the examination period for each Company” with copies of documents titled: “Sworn Statement in Proof of Loss”.

During the review of the data sample of the Allstate Insurance Company - Homeowners Non-renewals, 17 policies of the 113 reviewed were sent non-renewal notices for issues including loss frequency, vacancy, and death of the primary policyholder. The same policies were coded as non-renewed for code “53 – Construction of Property”. We reviewed the information for the policies in both the Gateway system and the Alliance Policy View and confirmed the Company’s use of the incorrect code (53-Construction of Property). We found that the notes that were entered in the Alliance Policy Narrative system did match the reason for non-renewal that appeared on the notice sent to the insured.

A copy of the Company’s cancellation reason codes and non-renewal reason codes was requested (Information Request # 45. The Company provided those lists that show one (1) non-renewal code (53) with no description attached to that code and twenty-seven (27) cancellation reason codes with a description attached to each code, both for auto and property. Code 53 is not included in the list of twenty-seven “Cancellation” codes as provided by the Company.

This appears to be in direct contrast to the information found on the Gateway system and the Alliance Policy View that shows code 53 “Construction of Property” is noted on multiple policies.

The Company was criticized (# 62) for failing to provide a notice of rehabilitation (215 ILCS 5/143.27) prior to a notice of non-renewal due to the condition of the property on two (2) policies. The two (2) policies were coded with the non-renewal code – 53 – Construction of Property.

The Company responded to the criticism (215 ILCS 5/143.27) with:

“A letter was sent on 1/23/18 after the property was inspected and notified the customer of two roof conditions that needed to be fixed prior to 3/24/18 in order to avoid non-renewal. The conditions were clearly stated in the customer letter. An extension was granted to the customer to allow another policy period for the condition to be fixed. The customer did not fix the condition and ultimately requested their policy to be cancelled on 8/8/2019, prior to the non-renewal. An additional letter was not sent in the subsequent policy period because the condition which needed to be fixed remained unchanged.”

This is further confusing as the Company demonstrates the use of the nonrenewal code – 53 – Construction of Property is accurately and appropriately used and with the correct description as per the two (2) policies on criticism # 62.

The company was criticized (# 159) for not including the Chicago DOI office address in the right to appeal information found on the notice for non-renewal sent to the insureds. While the Company disagreed with the criticism, they also provided an example copy of a non-renewal notice that was updated to now included the Chicago DOI office address in the right to appeal information.

The Company implemented a project on or about May 8, 2021, to comply with the request for corrections to the form letters used by the Company when handling claims. The request included correcting address for the Chicago office of the Illinois Department of Insurance and to properly replace the term “Division” with “Department” when referring to the Illinois “Department” of Insurance in any correspondence sent to an insured or claimant.

EIC confirms receiving examples of the new letters and the corrections requested are confirmed to be complete.

The Company responded to the “**Request # 26.** A copy of the information submitted in the NAIC’s Market Conduct Annual Statement for each line of business under review for the last three calendar years for each Company” with the requested reports. The homeowners and personal auto reports for 2017, 2018 and 2019 were provided and reviewed. The Company consistently provided the following explanation in both the homeowner and personal auto submissions:

“For all coverages relating to Median Days to Final Payment Allstate does not have a reliable systematic way to capture incoming supplements or which final payment was associated with which supplement. As a result, the Final Payment has been calculated to show the final loss payment on the claim within the given period.”

We find information entered by Company personnel in the claim file notes as the claim files were reviewed on the NextGen system that would indicate that the Company has a specific process for the submission of any supplement data for consideration with specific information requirements for submitting any supplement. We witnessed information also found in the NextGen system that referred to providing documents for assignment to a “Supplement Claim Processor” – a specific personnel title found noted in the claim notes. This information as witnessed in the NextGen claim system does not lend support to the company’s statement that “Allstate does not have a reliable systematic way to capture incoming supplements, or which final payment was associated with which supplement”. Before a payment is issued on a claim, the NextGen system requires specific payment coding to be completed and the coverage the payment is specific to. Common practice is to complete a review of the claim history, the documents attached to the claim and the previous payments made on the claim so as to prevent a duplication of any claim payments.

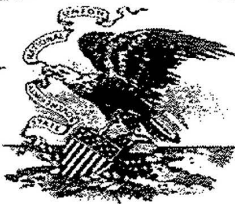
During the course of the exam, the Company reported newly discovered rating errors:

5/7/2021 - IL Allstate Self-Reporting Motorcycle Rating Issues - having to report technology-related rating errors in certain motorcycle and off-road vehicle policies issued by Allstate in Illinois.

10/28/2021 - inconsistency with the Encompass model year factors - in mid-2019, Encompass internally identified and fixed an issue with the model year factors for older model year vehicles (PPA and motorcycles). For old model years (2008 & older), the system was incorrectly using the 2008 & Prior rating factors (1.025 for comprehensive and 1.035 for collision) when the system should have instead been using the 2009 & Prior rating factors (1.05 for comprehensive and 1.07 for collision) per Rule 6.D in the rules manual. Any customers impacted all had premium undercharges.

# STATE OF ILLINOIS

## DEPARTMENT OF INSURANCE



IN THE MATTER OF:

**ALLSTATE INSURANCE GROUP**  
**3075 SANDERS ROAD, SUITE G4E**  
**NORTHBROOK, IL. 60062**

### STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Allstate Insurance Company, ("the Company"), NAIC 19232, and Allstate Indemnity Company, NAIC 19240, Allstate Fire and Casualty Insurance Company, NAIC 29688, Allstate Property and Casualty Insurance Company, NAIC 17230, Allstate Vehicle and Property Insurance Company, NAIC 37907, Encompass Property and Casualty Company, NAIC 10072, Encompass Home and Auto Insurance Company, NAIC 11252, and Esurance Property and Casualty Insurance Company, NAIC 30210, are authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of August 1, 2018, through January 31, 2020, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall implement reasonable standards for prompt investigations and settlement of claims arising under its policies. 215 ILCS 5/154.6(c)
2. Institute and maintain policies and procedures whereby the Company shall respond with reasonable promptness to pertinent communications. 215 ILCS 5/154.6(b)
3. Institute and maintain policies and procedures whereby the Company shall file rules and rates manuals and rate policies according to the manuals as filed. 50 Ill. Adm. Code 754.10
4. Institute and maintain policies and procedures whereby the Company shall retain detailed documentation in the Company claim file to permit reconstruction of the company's activities. 50 Ill. Adm. Code 919.30(c)
5. Institute and maintain policies and procedures whereby the Company shall offer payment within 30 days after affirmation of liability and the amount of the claim was determined and not in dispute. 50 Ill. Adm. Code 919.50(a)
6. Institute and maintain policies and procedures whereby the Company shall provide Insured a written explanation for the lower offer or denial with the Notice of Availability. 50 Ill. Adm. Code 919.50(a)(1)
7. Institute and maintain policies and procedures whereby the Company shall provide Insured a written explanation for delay 40 days from date of report if unresolved with the Notice of Availability. 50 Ill. Adm. Code 919.80(b)(2)
8. Institute and maintain policies and procedures whereby the Company shall provide a third party a written explanation for delay 60 days from date of report if unresolved with the Notice of Availability. 50 Ill. Adm. Code 919.80(b)(3)
9. Institute and maintain policies and procedures whereby the Company shall provide Exhibit A within 7 days of declaring vehicle a total loss. 50 Ill. Adm. Code 919.80(c)
10. Institute and maintain policies and procedures whereby the Company shall pay applicable sales tax and transfer and title fees. 50 Ill. Adm. Code 919.80(c)(3)(A)(i)
11. Institute and maintain policies and procedures whereby the Company shall provide Insured a written explanation for delay 75 days from date of report if unresolved with the Notice of Availability. 50 Ill. Adm. Code 919.80(d)(7)(B)
12. Institute and maintain policies and procedures whereby the Company shall not provide written correspondence to the insured that knowingly misrepresents relevant facts or policy provisions relating to coverages. 215 ILCS 5/154.6(a)

13. Institute and maintain policies and procedures whereby the Company shall provide the proper procedure for appeal in the notice of non-renewal provided to the insured. 215 ILCS 5/143.23
14. Institute and maintain policies and procedures whereby the Company shall not file and use policy forms/endorsements in Illinois that contain inconsistent, ambiguous, or misleading clauses or contains exceptions and conditions that will unreasonably or deceptively affect the risks that are purported to be assumed by the policy. 215 ILCS 5/143
15. Institute and maintain policies and procedures whereby the Company shall file all rules applicable to Rule P12 – Premium Calculation and the Rating Algorithm with the Illinois Department of Insurance. 50 Ill. Adm. Code 754.10(b)
16. Submit all required form filings to be compliant with orders 13, 14, and 15.
17. Submit all required rate/rule filings to be compliant with order 16.
18. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above seventeen (17) orders within thirty (30) days of execution of this Order.
19. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$190,000.<sup>00</sup> to be paid within ten (10) days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of ALLSTATE INSURANCE COMPANY, ALLSTATE INDEMNITY COMPANY, ALLSTATE FIRE AND CASUALTY INSURANCE COMPANY, ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY, ALLSTATE VEHICLE AND PROPERTY INSURANCE COMPANY, ENCOMPASS PROPERTY AND CASUALTY COMPANY, ENCOMPASS HOME AND AUTO INSURANCE COMPANY, and ESURANCE PROPERTY AND CASUALTY INSURANCE COMPANY

*Cynthia Guan*

Signature

Cynthia Guan

Name

Director, State Management

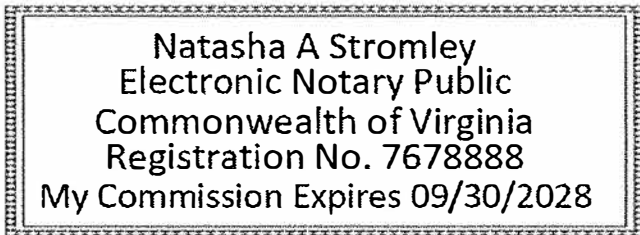
Title

Commonwealth of Virginia  
City/County of Hampton

Subscribed and sworn to before me this  
1st day of October 2024.

This notarial act was performed: (check one)  
\_\_physical presence \_\_xx\_remote notarization.

*Natasha A Stromley*



Notary Public  
My commission expires: 09/30/2028  
Commission #: 7678888

Remotely notarized online using two-way audio-video communication.

DEPARTMENT OF INSURANCE of the  
State of Illinois:

*Ann Gillespie*

Ann Gillespie  
Acting Director

DATE 10/1/2024

