

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

**In the Matter of)
ALLSTATE FIRE AND CASUALTY)
INSURANCE COMPANY)
NAIC # 29688)**

Docket No.: 85652

CONSENT AGREEMENT AND FINAL ORDER
(Pursuant to K.S.A. 40-222, 40-955 and K.S.A. 77-537)

The Kansas Insurance Department (“Department”) and Allstate Fire and Casualty Insurance Company (“Allstate”) submit this Consent Agreement and Final Order. Allstate hereby waive any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 *et seq.* and K.S.A. 77-601 *et seq.* Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-222, Vicki Schmidt, the duly elected, qualified and serving Commissioner of Insurance, hereby adopts the Department’s agreement made with Allstate and makes the following findings and Orders:

Allegations

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be offered by the Commissioner, and although neither admitted nor denied by Allstate, would be recognized as admissible to show the following:

1. Allstate is domiciled in Illinois and has been authorized in Kansas since 1981.
2. Allstate Fire and Casualty Insurance Company submitted a filing to the Department on September 21, 2020, to correct several complementary group rating (“CGR”) factors and table assignment numbers (“TAN”) that had originally been submitted in 2014.
3. In January 2020, the company reported that some incorrect factors and assignment numbers had been submitted for the Allstate Fire and Casualty Insurance Company Private

Passenger Automobile program in the state of Kansas and the company would be submitting a filing to correct these items. The error was discovered in June 2019 during a separate project that required data validation. The company reported the error to the Department in January 2020.

4. The company reported that in approximately 30 states using a similar rating plan, vehicle data for model years 2015 and after were missing when calculating individual premiums. The company determined that vehicle data fields from a computer server were not configured to automatically upload to the rating plan loss model, resulting in vehicle characteristics missing from the loss model.
5. The company reported that a new data validation process was put into place beginning July 2019 and a data validation check was completed in September 2019 to ensure the system was working correctly.
6. As a result of the current filing, 113 Kansas policyholders are being refunded \$7,546 in premium. The company indicated that the refunds should be processed by February 2021.

Applicable Law

1. K.S.A. 40-955 provides, in part:

(a) Every insurer shall file with the commissioner, except as to inland marine risks where general custom of the industry is not to use manual rates or rating plans, every manual of classifications, rules and rates, every rating plan, policy form and every modification of any of the foregoing which it proposes to use. Every such filing shall indicate the proposed effective date and the character and extent of the coverage contemplated and shall be accompanied by the information upon which the insurer supports the filings. A filing and any supporting information

shall be open to public inspection after it is filed with the commissioner, except that disclosure shall not be required for any information contained in a filing or in any supporting documentation for the filing when such information is either a trade secret or copyrighted. For the purposes of this section, the term "trade secret" shall have the meaning ascribed to it in K.S.A. 60-3320, and amendments thereto. An insurer may satisfy its obligations to make such filings by authorizing the commissioner to accept on its behalf the filings made by a licensed rating organization or another insurer. Nothing contained in this act shall be construed to require any insurer to become a member or subscriber of any rating organization.

2. K.S.A. 40-2,125 provides, in part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;

- (2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder; or
- (3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

Conclusions of Law and Orders

Based on the information enumerated in Paragraphs #1 through #6 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40222, and shall retain jurisdiction to issue any further orders deemed necessary.
2. Allstate neither admits nor denies stated violations, as enumerated above.
3. Allstate shall issue refunds to affected policyholders and shall inform the Department, in writing, when the refunds are issued.
4. Allstate shall pay a monetary penalty of \$2,000 total for violations of Kansas law.
5. Allstate shall comply with recommendations of examiners and contact the Department's Property/Casualty Division with any further questions.

IT IS SO ORDERED THIS 18th DAY OF DECEMBER 2020, IN THE CITY OF TOPEKA, STATE OF KANSAS.



BY:


Justin L. McFarland
General Counsel

APPROVED BY: /s/Steve Tews

Steve Tews

Kansas State Manager
Allstate Insurance Company
2775 Sanders Road
Northbrook, Illinois 60062

Certificate of Service

The undersigned hereby certifies that she served the above and foregoing Consent Agreement and Final Order on this 1st day of November 2020, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Steve Tews, Kansas State Manager
Allstate Insurance Company
2775 Sanders Road
Northbrook, Illinois 60062



Toni Garrard
Senior Administrative Assistant