



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Allstate Insurance Group
10800 East Geddes Ave., Suite 300
Englewood, CO 80112-3895

RE: Allstate Insurance Group
Including: Allstate Property and Casualty Insurance Co. (NAIC # 17230)
Allstate Indemnity Company (NAIC #19240)
and Allstate Insurance Company (NAIC #19232)
Missouri Market Conduct Examination 0609-35-PAC

**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by Linda Bohrer, Acting Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Allstate Insurance Group, including its subsidiaries Allstate Property and Casualty Insurance Co. (NAIC # 17230), Allstate Indemnity Company (NAIC #19240), and Allstate Insurance Company (NAIC #19232) (hereafter collectively referred to as "Allstate"), as follows:

WHEREAS, Linda Bohrer is the Acting Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, Allstate has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of Allstate and prepared report number 0609-35-PAC; and

WHEREAS, the report of the Market Conduct Examination revealed that:

1. In some instances, Allstate failed to adhere to certain policy provisions, resulting in the company's overpayment on various claims.

2. In some instances, Allstate failed to provide an appropriate reply to its claimants within 10 working days on all communications received from the claimants which reasonably suggested that a response was expected, and failed to issue payment on the claims in a timely manner in violation of 20 CSR 100-1.030.

3. In some instances, Allstate failed to maintain its books, records, documents, and other business records in such a way to allow the examiners to sufficiently ascertain the claims handling and payment practices of the Company, thereby violating §144.027, RSMo, 20 CSR 100-1.050(1)(A), and 20 CSR 300-2.200(3)(B).

WHEREAS, Allstate hereby agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. Allstate agrees to take corrective action to assure that the errors noted in the above-referenced market conduct examination reports do not recur; and

2. Allstate agrees to file documentation of all remedial actions taken by it to implement compliance with the terms of this Stipulation and to assure that the errors noted in the examination report do not recur, including explaining the steps taken and the results of such actions, with the Director within 60 days of the entry of a final Order closing this examination.

WHEREAS, Allstate neither admits nor denies the findings or violations set forth above and enumerated in the examination report; and

WHEREAS, Allstate is of the position that this Stipulation of Settlement and Voluntary Forfeiture is a compromise of disputed factual and legal allegations, and that payment of a forfeiture is merely to resolve the disputes and avoid litigation; and

WHEREAS, Allstate, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Allstate hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0609-35-PAC further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$9,483.50.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Allstate to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Allstate does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$9,483.50, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 8/26/08



President
Allstate Insurance Group