

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF DELAWARE

IN THE MATTER OF: )  
 )  
 ALLSTATE INSURANCE COMPANY ) DOCKET NO. 1370-2010  
 )  
 )  
 )

STIPULATION AND CONSENT ORDER

**THIS AGREEMENT** ("Agreement") is made this 16 day of September, 2010 between Allstate Insurance Company ("Respondent") and the Delaware Department of Insurance ("Department");

**WHEREAS**, Respondent is authorized to conduct the business of insurance in the State of Delaware with NAIC number 19232; and

**WHEREAS**, the Department asserts that Respondent's conduct violated 18 Del. C. § 2307 and Regulation 607 (4.1) by failing to provide the defensive driving discount for a full three-year period; and

**WHEREAS**, Respondent's conduct was a first time occurrence of this conduct, was an inadvertent act and Respondent cooperated fully with the Department's investigation; and

**WHEREAS**, Respondent instituted appropriate action to prevent further violation of 18 Del. C. s 2307 and Regulation 607 (4.1), and made appropriate restitution to its affected policyholders; and

**WHEREAS**, Respondent has been informed that it was entitled to an administrative hearing and to be represented by counsel and that the decisions to waive the hearing and not to be represented by counsel are free and voluntary; and

**WHEREAS**, after communications with the Department, Respondent desires to resolve the matter without recourse to a formal administrative hearing or any court action (such as an appeal) and enter into this Agreement under the terms and conditions set forth herein.

**NOW, THEREFORE, IT IS ORDERED AND AGREED**, by and between the Respondent and the Department, as follows:

- 1.) Respondent waives its right to notice and to an administrative hearing on this matter;
- 2.) Respondent states that it fully understands all of the allegations and facts relating to the above referenced asserted violations as well as to all consequences of its agreement to enter into this Agreement;
- 3.) Respondent admits to all the facts set forth in this Agreement relating to the above-referenced asserted violations, but denies liability to any of its insureds or any third party as a result of the violations asserted by the Department herein;
- 4.) Respondent neither admits nor denies any violations of 18 Del. C. s 2307 and Regulation 607(4.1);
- 5.) Respondent agrees to pay in full within 30 days of the execution of this Agreement \$25,000 with \$75,000 to be paid pursuant to paragraph 6 of this Agreement;
- 6.) Respondent will not engage in the conduct giving rise to the above referenced asserted violations and agrees that engaging in such conduct in violation of 18 Del. C. §2307 and Regulation 607 (4.1) within the next three (3) years shall be considered a breach of this Agreement. If the Department becomes aware of any future pattern or practice in violation of 18 Del. C. s 2307 and Regulation 607(4.1), inadvertent or otherwise, the Department shall be entitled to receive up to an additional \$75,000. The Department shall consider the nature and extent of any such future violations when determining whether to enforce any portion of the additional \$75,000;
- 7.) Respondent agrees to report to the Department any violations of 18 Del. C. §2307 and Regulation 607 (4.1) and any adverse governmental actions taken against Respondent which relate to the conduct set forth here and in the recitals;
- 8.) This agreement is the free and voluntary act of Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceedings that may be required against Respondent to enforce the terms of this Agreement;
- 9.) The imposition of any fines contained in this Agreement shall not preclude prosecution for any violation of a criminal law of this, or any other state;
- 10.) This Agreement contains all the terms and conditions agreed to by the parties and constitutes conditions agreed to by Respondent and the Department, and shall conclude this matter with prejudice;
- 11.) No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated and signed by all parties;
- 12.) If the Department fails to act on any future pattern or practice in violation of 18 Del. C. s 2307 and Regulation 607(4.1) by Respondent, such failure shall not be a waiver of any rights hereunder on the part of the Department and to take such action as may be permitted by this Agreement or be applicable by law.
- 13.) This Agreement may be signed in duplicate and both documents shall be considered originals. Respondent agrees that an uncertified copy shall be

valid as evidence in any proceeding that may be required for purposes of enforcement.

14.) This Agreement shall survive Respondent and shall be enforceable against their successors, transferors, or assigns.

**RESPONDENT:**

**DELAWARE INSURANCE DEPARTMENT**

*[Handwritten Signature]* 9/29/11  
Wetney W. Williams, Respondent  
Regional Counsel

*Angela G. Long*  
Witness to Respondent Signature  
Name, Title, Dated  
Angela G. Long, Executive Admin Asst.  
9/29/11

*[Handwritten Signature]*  
KAREN WELDIN STEWART, CIR-ML  
Insurance Commissioner

*[Handwritten Signature]* - Para Legal 9/10/11  
Witness to Department of Insurance's Signature  
Name, Title, Dated  
9/16/11  
Date of Insurance Commissioner's Signature