

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Insurance Division
1511 PONTIAC AVENUE, BLDG. 69-2
CRANSTON, RHODE ISLAND 02920

RECEIVED
MAY 02 2017 CC
STATE OF RHODE ISLAND
INSURANCE DIVISION

IN THE MATTER OF:

ALLSTATE INSURANCE COMPANY

RESPONDENT.

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and Allstate Insurance Company (“Respondent”) as follows:

1. Respondent is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.
2. These automobile insurance policies require Respondent to indemnify for covered losses.
3. It is the position of the Department that the loss attributable to a totaled vehicle includes all fees incidental to the transfer of ownership of a comparable vehicle.
4. The Department amended Insurance Regulation 73(8)(A)(4)(a) effective February 18, 2014 requiring insurers to include “...all applicable taxes, title, registration, and other fees incident to transfer of evidence of ownership of a comparable automobile.” in their calculation of fair market value of a total loss vehicle.
5. Respondent was aware of the amendment to Insurance Regulation 73 and had commented during the regulation adoption process to other sections of the regulation.

6. In December of 2016 the Department received a consumer complaint indicating that Respondent was not paying the required fees for registering a replacement vehicle.

7. Upon contact by the Department, Respondent agreed to pay for the title and registration fees for the individual consumer. Respondent indicated that there was an oversight on the DMV fees and that the amount has since been corrected.

8. Upon additional inquiry by the Department, Respondent indicated that this was not an isolated incident and provided requested information about those impacted.

9. Respondent's records indicate that there were one thousand one hundred and six (1106) automobile total loss claims between February of 2014 (when the changes to Insurance Regulation 73 went into effect) and February 2017, and that Respondent improperly settled each of those claims.

10. Respondent has almost completed notifying and reimbursing its impacted claimants.

11. The Department contends that failure to pay the fees with the claim is a violation of R.I. Gen. Laws § 27-9.1-4 (1), (3) and (4) and Insurance Regulation 73.

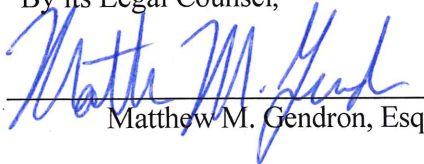
THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent will pay to each of the one thousand one hundred and six (1106) claimants identified an amount representing the fees incidental to transfer of ownership of a replacement vehicle in a total loss cash settlement plus 12% interest. Respondent's remediation before the 12% interest will total \$63,414.41.

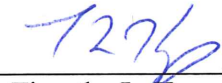
2. Respondent agrees that such fees will be paid on all total loss settlements in the future in accordance with Insurance Regulation 73.
3. Respondent will pay a fine of \$40,000.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 29th day of April, 2017.

Department of Business Regulation
By its Legal Counsel,


Matthew M. Gendron, Esq. 5/2/17

Allstate Insurance Company
By its Attorney,


Timothy L. Knapp, Esq.