



**STATE OF RHODE ISLAND  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF INSURANCE  
1511 PONTIAC AVENUE, BUILDING 69-2  
CRANSTON, RHODE ISLAND 02920**

**IN THE MATTER OF:**

**ALLSTATE PROPERTY & CASUALTY  
INSURANCE COMPANY;  
ALLSTATE FIRE & CASUALTY INSURANCE  
COMPANY;  
ALLSTATE INSURANCE COMPANY;  
ALLSTATE INDEMNITY COMPANY**

**2021-IN-007**

**and**

**ESURANCE PROPERTY & CASUALTY  
INSURANCE COMPANY**

**RESPONDENTS.**

**CONSENT AGREEMENT**

It is hereby agreed between the Department of Business Regulation (“Department” and Allstate Property & Casualty Insurance Company, Allstate Fire & Casualty Insurance Company, Allstate Insurance Company, Allstate Indemnity Company (collectively the “Allstate Companies”) and Esurance Property & Casualty Insurance Company (“Esurance”) as follows:

1. The Allstate Companies are insurers licensed in the State of Rhode Island to issue property & casualty insurance policies.
2. Esurance, an Allstate company, is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies.
3. R.I. Gen. Laws §27-9.1-4 provides in relevant part:



a) Any of the following acts by an insurer, if committed in violation of § 27-9.1-3, constitutes an unfair claims practice:

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(18) Refusing to honor a "direction to pay" executed by an insured, claimant, indicating that the insured or claimant wishes to have the insurance company directly pay his or her motor vehicle replacement vehicle rental benefit to the rental car company of the consumer's choice; provided, that the rental car company is licensed pursuant to § 31-5-33. Nothing in this section shall be construed to prevent the insurance company's ability to question or challenge the amount charged, in accordance with its policy provisions, and the requirements of the department of business regulation.

4. It is an improper claims practice for any insurer transacting business in this state to commit any act with a frequency as to indicate a general business practice to engage in that type of conduct.
5. The Department acknowledges there is no requirement under Rhode Island law that an insurer must enter into what is termed a direct billing arrangement with any rental car company. Allstate Companies' call center agents advised the insured would need to pay the invoice and seek reimbursement. Allstate Companies honored a direction to pay when it was received.
6. The Department received a complaint from one rental car company that included documentation of twenty (20) calls which alleged that Allstate Companies and Esurance did not verbally honor the direction to pay the rental car



company that the rental car company suggested was at the direction of the insured under R.I. Gen. Laws § 27-91.1-4.

7. For the above referenced complaints, the executed direction to pay was not provided to Allstate Companies and Esurance during the call. The executed direction to pay was only provided to Allstate Companies and Esurance when the final invoice was provided, which in most cases was not until several months later.
8. In calendar year 2021, Allstate has made 99 payments, including payments on the claims that are the subject matter of this Order, directly to the aforementioned rental car company for rental car reimbursements for an aggregate amount of \$79,393.36 after Allstate received the written direction to pay.
9. On December 11, 2020, an Allstate Companies' call center agent advised the rental car company that Allstate would not honor a direct bill arrangement and then discussed Allstate's direction to pay process. The direction to pay question posed by the representative of the rental car company to the call center agent was not transparent and could have led to confusion over Allstate's direction to pay process. The call center agent further advised the rental car company the insured would be required to pay the rental car charges and seek reimbursement from Allstate Companies. At no time during this call did the rental car company advise the call center agent that it had an executed direction to pay consent from the consumer.
10. On January 5, 2021, an Esurance call center agent advised the rental car company that Esurance would not honor a direct bill arrangement and then discussed



Esurance's direction to pay process. The call center agent further advised the rental car company the insured would be required to pay the rental car company and seek reimbursement from Esurance.

11. On January 22, 2021, a different Allstate Companies' call center agent advised the rental car company that Allstate Companies would not honor a direct bill arrangement and then discussed Allstate's direction to pay process. The call center agent further advised the rental car company the insured would be required to pay the rental car company and seek reimbursement from Allstate Companies.
12. The Department listened to all twenty (20) calls. During all calls, multiple call center agents advised the rental car company that Allstate Companies and Esurance would not honor direct billing arrangements. Although neither the Allstate Companies nor Esurance call center agents said that they would refuse an executed direction to pay from an insured, the conversation led to confusion about whether an executed direction to pay had been received and what process Allstate Companies and Esurance would use to implement the direction to pay.
13. The Department reviewed the complaint with Allstate Companies and Esurance and advised Allstate Companies and Esurance the rental car company's initial request was for direct payment and then advised that an executed direction to pay was provided. Allstate Companies and Esurance responded that they do honor executed directions to pay and all claims related to the twenty (20) calls reviewed by the Department have been reviewed by Allstate Companies and Esurance to ensure payment in accordance with the direction to pay instructions.



14. Allstate Companies and Esurance call center agents did not verbally communicate the Allstate Companies and Esurance payment policies clearly. Allstate Companies and Esurance advised that the payment process has been re-communicated to the call center agents and adjusters have been re-educated.

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

1. Respondents acknowledge the above referenced facts and is entering into this Consent Order in an effort to resolve this matter fully and fairly.
2. Respondents agree to collectively pay an administrative fine of \$7,500 within thirty (30) days.
3. Respondents agree to provide documentation of the communication and re-education of call center agents and adjusters of the payment policies by October 31, 2021.
4. Respondents agree to continue to communicate and educate call center agents and adjusters of the payment policies.
5. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*
6. Enforcement. If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein,



Respondent will be in violation hereunder and the Department shall be entitled to immediately to take enforcement or other action in accordance with applicable law.

7. Compliance; Other Laws. Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.

Counsel for the Respondents and the Department hereby consent and agree on the foregoing on behalf of their respective clients the \_\_13th\_\_ day of October 2021.

Rhode Island Department of  
Business Regulation  
by its Legal Counsel

Allstate Property & Casualty Insurance  
Company &  
Esurance Insurance Company  
by its attorney

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Timothy L. Knapp