



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

IN THE MATTER OF:

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

RESPONDENTS.

DBR No.: 2025-IN-008

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 (“Respondents”) as follows:

1. Respondents are insurers domiciled in the state of Illinois licensed in the State of Rhode Island as foreign insurance companies identified by the NAIC Company Codes 29688 and 17230. Respondents are authorized to issue property, fire, and casualty insurance policies.
2. On or about February 2025, the Department became aware of Respondents adding drivers to Rhode Island policies without obtaining consumer consent.
3. On April 7, 2025, Respondents answered the Department’s initial inquiry and advised that “As part of Allstate’s renewal underwriting policy, it has a program to identify household members not listed on auto policies issued in Rhode Island.”



4. Upon further inquiry from the Department, Respondents stated that they send approximately “400 letters per year to Rhode Island customers.”

5. Respondents explained that “once a potential non-listed occupant is identified” Respondents send the customer’s agent a letter advising them that they have “seven (7) days to contact the insured and either add the occupant or narrate the policy with the appropriate reason the driver should not be added.” If the agent does not take action, a letter is sent to the customer stating that “if the driver should be added, no action is needed as they will be added in 30 days” or “if the driver should not be added, the insured should contact their Allstate representative.” Furthermore, “If an identified driver is added and the customer provides information to support that they are not a resident in the household, Allstate will update the policy and premium accordingly.”

6. On June 27, 2025, Respondents clarified that in order for the identified driver to not be added to the policy, a “consumer may provide information that meets the requirements” such as providing a complete physical address to prove they are out of the household or providing an auto insurance policy number if they have their own separate auto policy.

7. Respondents further explained that they identified the non-listed household members from data purchased from their data vendor. Their data vendor, “identifies potential operators that are licensed with information to suggest they reside in the household.”

8. Respondents report that they have performed this program since 2009 and have not materially changed the program in that time. Using data from 2025 Quarter 1,



Respondents estimate that they have been sending out 400 letters to Rhode Island customers per year.

9. According to Respondents, in 2024 as part of the program “outreach efforts were made to 641 insureds in Rhode Island. Of those outreach efforts, Allstate received 315 requests to exclude the identified driver from the policy.” In a response from November 21, 2025, Respondents clarified that out of the 315 requests, 19 of them were denied for “insufficient justification.” Examples of an “insufficient justification” included “Indicated driver had other insurance but did not provide the carrier and policy number,” and “Indicated the driver no longer lives in the household but failed to provide alternative address.”

10. Respondents informed the Department on May 13, 2025, that they “ceased the undisclosed driver program in Rhode Island.”

Unilateral Contract Modification

11. Insurance regulations and statutes are generally silent on the issue of unilateral contract modifications, as it is a fundamental principal of contract common law that any contract modification requires the mutual consent of both parties.

12. Additionally, long-standing Rhode Island case law establishes that contract modifications require the voluntary mutual agreements of both parties. *Angel v. Murray*, 113 R.I. 482, 322 A.2d 630 (1974).

13. Respondents presented consumers with a negative option to unilaterally modify their contract, meaning that if consumers failed to respond to the communication given by Respondents, their policy contract would be modified by default.



14. The policy contracts were for a specified term and provided coverage to designated individuals as mutually agreed upon by the parties.

15. Respondents clarified that the process of reviewing policies for potential modification is based on the renewal timeframe and “Policies that are anticipated to reach their first renewal are selected for review approximately five (5) months in advance of the renewal effective date. All other renewal policies are selected approximately four (4) months in advance of renewal effective date.” Therefore, Respondents unilaterally modified the contracts during the policy period, rather than at the time of renewal as previously agreed upon by both parties.

16. Once Respondents became aware of additional unlisted household members, Respondents should have waited until the time of renewal to make any changes to the policy. Otherwise, the consent of both parties would have been required to modify the contract during the policy period.

Underwriting Issue

17. The standard definition of an “Insured” in private passenger auto policies includes household residents, resident relatives, and permissive use drivers at least up to minimum financial responsibility limits.

18. While the unlisted resident or permissive driver would be covered, a company would not be collecting a premium for the unlisted driver. Adding the driver to the policy allows the Company to appropriately rate and collect an additional premium for the risk.

19. Therefore, Respondents unilaterally modified the policy contracts without obtaining the insured’s consent.



AUTHORITY

20. R.I. Gen. Laws § 27-9-4(a)(4) states that “Rates shall not be excessive, inadequate, or unfairly discriminatory.”

21. R.I. Gen. Laws § 27-8-11(a) requires that “the insurer furnish, at least thirty (30) days prior to renewal, written notice of any coverage reductions, elimination, or increased deductibles not made at the request of the insured. The notice shall itemize and describe the policy coverage reductions, elimination, or increased deductibles ...”

22. R.I. Gen. Laws § 27-29-4(1) defines the following as an unfair and deceptive act or practice: “Misrepresentations and false advertising of policies or contracts. ... making any misrepresentation to any policyholder insured in any company including any intentional misquote of a premium rate, for the purpose of inducing or tending to induce the policyholder to lapse, forfeit, or surrender his or her insurance ...”

23. R.I. Gen. Laws § 42-14-16(a)(1) provides that the Department can issue penalties for violations of Title 27 or regulations promulgated thereunder.

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

- I. Respondents acknowledge the above referenced facts and are entering into this Consent Order to resolve this matter fully and fairly.
- II. Respondents have stopped utilizing the undisclosed driver program in Rhode Island and will not utilize a program like that again without discussing the program with the Department before implementing it.
- III. Respondents agree to pay an administrative fine of \$31,500 within thirty (30) days.



IV. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondents knowingly and voluntarily waive any right to an administrative hearing and waive 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.

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

VI. *Enforcement.* If Respondents fail to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, Respondents will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other action in accordance with applicable law.

The Department and Respondents' counsel hereby consent and agree to the foregoing this 12th day of February 2026.

Rhode Island Department of
Business Regulation
by its Legal Counsel

ALLSTATE PROPERTY & CASUALTY
INSURANCE COMPANY;
ALLSTATE FIRE & CASUALTY
INSURANCE COMPANY
by their legal & regulatory counsel

Mariel R. Garcia

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Matthew Gendron

Jenny Princer

Print Name: Jenny Princer
Its duly authorized (title) *Legislative & Regulatory Counsel*