



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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In the Matter of

TRI-STATE CONSUMER INSURANCE COMPANY,

No. 2020-0260- S

Respondent.

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CONSENT ORDER

WHEREAS, the Department of Financial Services (the “Department”) conducted a market conduct investigation into the business practices of Tri-State Consumer Insurance Company (hereinafter “Respondent”) for the period from January 2017 through September 2017.

WHEREAS, this Consent Order contains the Department’s findings and the relief agreed to by the Department and Respondent.

NOW, THEREFORE, the Department and Respondent are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

FINDINGS

1. Respondent is a domestic insurance company authorized to transact fire, miscellaneous property, water damage, burglary and theft, boiler and machinery, collision, personal injury liability, property damage liability, workers’ compensation and employers’ liability, fidelity and surety, motor vehicle and aircraft physical damage and marine and inland marine insurance business in this State pursuant to Section 1113(a) of the New York Insurance Law.

2. Respondent, for the time period January 2017 to September 2017:
 - a. failed to notify senior citizen insureds annually in writing of the third-party designee notice procedure;
 - b. improperly issued notices of cancellation that were not based on lawfully permitted reasons or conditions;
 - c. failed to have proof of mailing of notices of termination;
 - d. failed pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests;
 - e. failed to mail verification forms within 10 business days after receipt of No- Fault application;
 - f. failed to properly calculate payments for loss of earnings from work;
 - g. failed to forward an explanation of benefits form to injured party at least every six-months;
 - h. failed to include required information on estimate of repairs;
 - i. failed to notify its insureds in writing of the status of a physical damage claim, that is subject to a deductible and a subrogation claim, within 120 days after the date of the claim payment;
 - j. failed to report first party and third-party losses in excess of \$2500 to the designated central organization and the National Insurance Crime Bureau as appropriate in the time allotted; and,
 - k. failed to include the exact prescribed redlining practices prohibition verbiage on appropriate notices of termination.
3. Respondent's violations during the time period contravened New York Insurance Law and Regulations.

VIOLATIONS

4. By reason of the foregoing, Respondent violated:
- a. Insurance Law Section 3111(a);
 - b. Insurance Law Section 3425(c)(2);
 - c. Insurance Law Section 3425(h)(1);
 - d. Insurance Law Section 5106(a) and Sections 65-3.8(a) and (c) of Insurance Regulation 68 [11NYCRR65];
 - e. Section 65-3.5(a) of Insurance Regulation 68;
 - f. Section 65-3.16(b) of Insurance Regulation 68;
 - g. Section 65-3.17 of Insurance Regulation 68;
 - h. Section 216.7(b)(13) of Insurance Regulation 64 [11NYCRR 216];
 - i. Section 216.7(g)(5) of Insurance Regulation 64;
 - j. Sections 216.8(d)(2) and 216.10(d); and
 - k. Section 218.5(a) of Insurance Regulation 90 [11 NYCRR 218.5].

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondent, its successors, and assigns (on behalf of its agents, representatives, employees, parent company, holding company, and any corporation, subsidiary, or division through which Respondent operates) that:

5. Respondent represents, and has demonstrated to the Department's satisfaction, that it has implemented the necessary actions to prevent recurrences of the above and represents that Respondent is now compliant with the aforementioned sections of New York Insurance Law and Regulations. Respondent will also take all necessary steps to comply with the New York Insurance Law and Regulations with respect to its insurance products in the future.

MONETARY PENALTY

6. Within seven (7) days of the execution of this Consent Order, Respondent shall pay a civil penalty of Two Hundred Seventeen Thousand Three Hundred Dollars (\$217,300). Respondent agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.
7. The above referenced payment shall be payable to the New York State Department of Financial Services account at JP Morgan Chase Bank, N.A. via electronic transfer in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

8. In the event that the Department believes Respondent to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondent, and Respondent must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
9. Respondent understands and agrees that Respondent's failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondent's Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and may use any and all evidence available to the Department for all ensuing examinations, hearings, notices, orders, and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

10. If Respondent defaults on any of its obligations under this Consent Order, the Department may terminate this Consent Order at its sole discretion, upon ten (10) days' written notice to Respondent. In the event of such termination, Respondent expressly agrees and acknowledges that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondent or from using in any way the statements, documents, or other materials produced or provided by Respondent prior to or after the date of this Consent Order, including, without limitation, such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.
11. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondent and the Department's own factual examination. To the extent that representations made by Respondent are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
12. Upon the request of the Department, Respondent shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
13. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: My Chi To, Executive Deputy Superintendent for Insurance

If to the Company:


Tri-State Consumer Insurance Company
100 Jericho Quadrangle, Suite 124
Jericho, NY 11753
Attention: Penny Fern Hart, President and CEO

14. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
15. Respondent waives its right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agrees that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
16. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
17. This Consent Order constitutes the entire agreement between the Department and Respondent relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
18. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
19. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondent for the conduct set forth in this Consent Order, subject to the terms of this Order.
20. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

TRI-STATE CONSUMER INSURANCE COMPANY

By:  Dated: 10-12-20
Penny Fern Hart
President and CEO

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By:  Dated: 10/30/2020
My Chi To
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By:  Dated: 10/30/2020
Linda A. Lacewell
Superintendent of Financial Services



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

----- X

In the Matter of

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY and
STATE FARM FIRE AND CASUALTY COMPANY

No. 2020-0280-S

Respondents.

----- X

CONSENT ORDER

WHEREAS, the Department of Financial Services (the “Department”) conducted a market conduct investigation into the business practices of State Farm Mutual Automobile Insurance Company and State Farm Fire and Casualty Company (hereinafter “Respondents”) for the period from February 2011 through July 2015.

WHEREAS, this Consent Order contains the Department’s findings and the relief agreed to by the Department and Respondents.

NOW, THEREFORE, the Department and Respondents are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

FINDINGS

1. Respondents are foreign insurance companies, collectively authorized to transact accident and health, fire, miscellaneous property, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability, workers’ compensation and employers’ liability, fidelity and surety, credit, motor vehicle and aircraft physical damage, marine and inland marine, marine protection and indemnity

insurance business in this State pursuant to Section 1113(a) of the New York Insurance Law (“Insurance Law”) and insurance of every kind or description outside of the United States and reinsurance of every kind or description as authorized by Insurance Law Section 4102(c).

2. Respondents, for the time period January 2014 to June 2014:
 - a. failed to establish objective standards required for the administration of examinations under oath;
 - b. failed to pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests;
 - c. failed to file its plan of operation for establishing and adequately maintaining an inspection system;
 - d. failed to utilize the inspection report and applicable photographs in the settlement of private passenger automobile physical damage insurance claims;
 - e. failed to advise affected insureds of the right to be reimbursed for transportation expenses in the event of the theft of the entire vehicle;
 - f. failed to timely report total theft losses to the designated central organization; and
 - g. failed to report third-party property damage losses exceeding \$2,500 to the designated central organization and the National Insurance Crime Bureau as appropriate in the time allotted.
3. Respondents, for the time period February 2011 to July 2015 failed to properly calculate payments for loss of earnings from work.
4. Respondents’ violations during the aforementioned time periods contravened New York Insurance Law and Regulations.

VIOLATIONS

5. By reason of the foregoing, Respondents violated:

- a. Section 65-3.5(e) of Insurance Regulation 68 [11 NYCRR 65];
- b. Insurance Law Section 5106(a) and Section 65-3.8 of Insurance Regulation 68;
- c. Section 67.0(b) of Insurance Regulation 79 [11 NYCRR 67];
- d. Section 67.5(f)(5) of Insurance Regulation 79;
- e. Section 216.7(f) of Insurance Regulation 64 [11 NYCRR 216];
- f. Section 216.8(d)(1) of Insurance Regulation 64;
- g. Sections 216.8(d)(2) and 216.10(d) of Insurance Regulation 64; and
- h. Section 65-3.16(b) of Insurance Regulation 68 (see Paragraph 3.).

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondents, their successors, and assigns (on behalf of their agents, representatives, employees, parent company, holding company, and any corporation, subsidiary, or division through which Respondents operate) that:

- 6. Respondents represent, and have demonstrated to the Department, that they have implemented the necessary actions to prevent recurrences of the violations described above including having made restitution in the amount of \$9,799,000 to claimants for underpayments and overdue interest on no-fault benefits; and also represent that Respondents are now compliant with the aforementioned sections of the New York Insurance Law and Regulations. Respondents will also take all necessary steps to comply with the New York Insurance Law and Regulations with respect to their insurance products in the future.

MONETARY PENALTY

- 7. Within seven (7) days of the execution of this Consent Order, Respondents shall pay a civil penalty of Six Hundred Forty-Four Thousand Seven Hundred Dollars (\$644,700). Respondents agree that they will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.

8. The above referenced payment shall be payable to the New York State Department of Financial Services account at JP Morgan Chase Bank, N.A. via electronic transfer in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

9. In the event that the Department believes Respondents to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondents, and Respondents must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
10. Respondents understand and agree that Respondents' failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondents' Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and may use any and all evidence available to the Department for all ensuing examinations, hearings, notices, orders, and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

11. If Respondents default on any of their obligations under this Consent Order, the Department may terminate this Consent Order at its sole discretion, upon ten (10) days' written notice to Respondents. In the event of such termination, Respondents expressly agree and acknowledge that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondents or from using in any way the statements, documents, or other materials produced or provided by Respondents prior to or after the date of this Consent Order, including, without limitation,

such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.

12. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondents and the Department's own factual examination. To the extent that representations made by Respondents are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
13. Upon the request of the Department, Respondents shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
14. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: My Chi To, Executive Deputy Superintendent for Insurance

If to the Respondents:

State Farm Insurance
100 State Farm Place
Malta, NY 12020
Attention: Michael T. Keating, Vice President Operations, P&C Claims

15. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
16. Respondents waive their right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agree that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.

17. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
18. This Consent Order constitutes the entire agreement between the Department and Respondents relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
19. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
20. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondents for the conduct set forth in this Consent Order, subject to the terms of this Order.
21. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

By: Michael T. Keating Dated: 9/24/2020

Michael T. Keating
Vice President Operations, P&C Claims for State Farm Insurance

STATE FARM FIRE AND CASUALTY COMPANY

By: Michael T. Keating Dated: 9/24/2020

Michael T. Keating
Vice President Operations, P&C Claims for State Farm Insurance

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: My Chi To Dated: 10/30/2020

My Chi To
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By: Linda A. Lacewell Dated: 10/30/2020

Linda A. Lacewell
Superintendent of Financial Services



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

----- X

In the Matter of

ALLSTATE INDEMNITY COMPANY,
ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY,
ALLSTATE FIRE AND CASUALTY INSURANCE COMPANY, and
ALLSTATE INSURANCE COMPANY

No. 2020-0239-S

Respondents.

----- X

CONSENT ORDER

WHEREAS, the Department of Financial Services (the “Department”) conducted a market conduct investigation into the business practices of Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, Allstate Fire and Casualty Insurance Company and Allstate Insurance Company (hereinafter “Respondents”) for the period from January 2011 through September 2014.

WHEREAS, this Consent Order contains the Department’s findings and the relief agreed to by the Department and Respondents.

NOW, THEREFORE, the Department and Respondents are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

FINDINGS

1. Respondents are foreign insurance companies, collectively authorized to transact accident and health, fire, miscellaneous property, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability,

workers' compensation and employers' liability, fidelity and surety, credit, motor vehicle and aircraft physical damage, marine and inland marine, marine protection and indemnity, legal services, credit unemployment, and residual value insurance business in this State pursuant to Section 1113(a) of the New York Insurance Law ("Insurance Law").

2. Respondents, for the time period January 2011 to September 2014:
 - a. failed to report notice of termination of certain insured vehicles to the commissioner of motor vehicles;
 - b. failed to retain proof of mailing of notices of termination to insureds;
 - c. failed to send notices of cancellation to the mortgage holders/lienholders upon the cancellation of the insureds' policies, as per the policy provisions;
 - d. improperly issued nonrenewal notices on homeowners policies during the three-year required policy period;
 - e. failed to include required language on notices of termination to insureds in the motor vehicle assigned risk plan;
 - f. failure to forward to applicants the prescribed application for motor vehicle no-fault benefits within five business days after receipt of notice of claim at the proper claim processing office;
 - g. failed to make timely requests for additional proof of claim verification;
 - h. failed to pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests;
 - i. failed to pay to applicants, or applicant's assignees, proper interest on overdue personal injury protection benefits;
 - j. failed to properly calculate payments for loss of earnings from work;
 - k. failed to include all complaint activity in consumer services department's ongoing central log;
 - l. failed to make offers for the total loss within the prescribed time period following notice of loss and the insured's provision of necessary claim information;
 - m. failed to advise effected insureds of the right to be reimbursed for transportation expenses in the event of the theft of the entire vehicle; and

- n. failed to timely report total theft losses to the designated central organization.
3. Respondents' violations during the aforementioned time period contravened New York Insurance Law and Regulations.

VIOLATIONS

4. By reason of the foregoing, Respondents violated:
- a. Insurance Law Section 317 and New York Vehicle and Traffic Law ("VTL") Section 313;
 - b. VTL Section 313;
 - c. Insurance Law Section 2307(b);
 - d. Insurance Law Section 3425(e);
 - e. Insurance Law Section 5301;
 - f. Section 65-3.4(b) of Insurance Regulation 68 [11 NYCRR 65];
 - g. Section 65-3.5(b) of Insurance Regulation 68;
 - h. Insurance Law Section 5106(a) and Section 65-3.8 of Insurance Regulation 68;
 - i. Insurance Law Section 5106(a) and Section 65-3.9(a) of Insurance Regulation 68;
 - j. Section 65-3.16(b) of Insurance Regulation 68;
 - k. Section 216.4(e) of Insurance Regulation 64 [11 NYCRR 216];
 - l. Section 216.7(c)(7) of Insurance Regulation 64;
 - m. Section 216.7(f) of Insurance Regulation 64; and
 - n. Sections 216.8(d)(1) of Insurance Regulation 64.

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondents, their successors, and assigns (on behalf of their agents, representatives, employees, parent company, holding company, and any corporation, subsidiary, or division through which Respondents operate) that:

5. Respondents represent, and have demonstrated to the Department, that they have implemented the necessary actions to prevent recurrences of the violations described above

including having made restitution in the total amount of \$784,168 to claimants for overdue interest on no-fault benefits; and also represent that Respondents are now compliant with the aforementioned sections of the New York Insurance Law and Regulations. Respondents will also take all necessary steps to comply with the New York Insurance Law and Regulations with respect to their insurance products in the future.

MONETARY PENALTY

6. Within seven (7) days of the execution of this Consent Order, Respondents shall pay a civil penalty of Six Hundred Seventy-One Thousand Two Hundred Dollars (\$671,200). Respondents agree that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.
7. The above referenced payment shall be payable to the New York State Department of Financial Services account at JP Morgan Chase Bank, N.A. via electronic transfer in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

8. In the event that the Department believes Respondents to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondents, and Respondents must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
9. Respondents understand and agree that Respondents' failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondents' Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and may use any and all evidence available to the Department for all ensuing examinations,

hearings, notices, orders, and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

10. If Respondents default on any of their obligations under this Consent Order, the Department may terminate this Consent Order at its sole discretion, upon ten (10) days' written notice to Respondents. In the event of such termination, Respondents expressly agree and acknowledge that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondents or from using in any way the statements, documents, or other materials produced or provided by Respondents prior to or after the date of this Consent Order, including, without limitation, such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.
11. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondents and the Department's own factual examination. To the extent that representations made by Respondents are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
12. Upon the request of the Department, Respondents shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
13. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: My Chi To, Executive Deputy Superintendent for Insurance

If to the Respondents:

Allstate Insurance Company
878 Veterans Memorial Highway
Hauppauge, NY 11788
Attention: Mark L. Gardner, Regional Counsel

14. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
15. Respondents waive their right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agree that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
16. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
17. This Consent Order constitutes the entire agreement between the Department and Respondents relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
18. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
19. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondents for the conduct set forth in this Consent Order, subject to the terms of this Order.
20. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

ALLSTATE INDEMNITY COMPANY

By: Mark Gardner Dated: AUGUST 20, 2020
Mark L. Gardner
Regional Counsel


ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY

By: Mark Gardner Dated: AUGUST 20, 2020
Mark L. Gardner
Regional Counsel


ALLSTATE FIRE AND CASUALTY INSURANCE COMPANY ;

By: Mark Gardner Dated: AUGUST 20, 2020
Mark L. Gardner
Regional Counsel

ALLSTATE INSURANCE COMPANY

By:  Dated: AUGUST 20, 2020
Mark L. Gardner
Regional Counsel

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By:  Dated: 10/30/2020
My Chi To
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By:  Dated: 10/30/2020
Linda A. Lacewell
Superintendent of Financial Services



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

----- X

In the Matter of

AIG PROPERTY CASUALTY COMPANY,

No. 2019-0201-S

Respondent.

----- X

CONSENT ORDER

WHEREAS, the Department of Financial Services (the “Department”) conducted a market conduct investigation into the business practices of AIG Property Casualty Company (hereinafter “Respondent”) for the period from January 2015 through June 2015.

WHEREAS, this Consent Order contains the Department’s findings and the relief agreed to by the Department and Respondent.

NOW, THEREFORE, the Department and Respondent are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

FINDINGS

1. Respondent is a foreign insurance company authorized to transact accident and health, fire, miscellaneous property, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability, workers’ compensation and employers’ liability, fidelity and surety, motor vehicle and aircraft physical damage, marine and inland marine, and marine protection and indemnity, residual value, and legal services insurance business in this State pursuant to Section 1113(a) of the

New York Insurance Law (“Insurance Law”) and insurance of every kind or description outside of the United States and reinsurance of every kind or description as authorized by Insurance Law Section 4102(c).

2. Respondent, for the time period January 2015 to June 2015:

- a) failed to send notices of cancellation to the mortgage holders/lienholders upon the cancellation of the insureds’ policies, as per the policy provisions;
- b) failed to notify senior citizen insureds annually in writing of the availability of the third-party designee notice procedure;
- c) sold collision insurance coverage in automobile physical damage policies with a deductible of less than one hundred dollars;
- d) failed to send notice of their intent to non-renew policies to insureds within forty-five (45) to sixty (60) days in advance of the expiration date of the policies;
- e) failed to have proof of mailing of notice of cancellation;
- f) failure to forward to the applicant the prescribed application for motor vehicle no-fault benefits within five business days after receipt of notice of claim at the proper claim processing office;
- g) failed to mail a second application for motor vehicle no-fault benefits to the eligible injured person or such person’s attorney within 10 calendar days when such second notice was required;
- h) failed to pay or deny claims within 30 calendar days after receipt of proof of claim including all relevant verification requests;
- i) failed to pay to the applicant, or the applicant’s assignee, proper interest on overdue personal injury protection benefits;
- j) failed to properly calculate payments for loss of earnings from work;
- k) failed to document insured’s right to receive settlement proceeds in claim file;
- l) failed to provide Certification of Automobile Repairs to the insured or the insured’s designated representative during the course of negotiation of the settlement amount; and

- m) failed to report first and third party property damage losses exceeding \$2,500 to the designated central organization and the National Insurance Crime Bureau as appropriate in the time allotted.
- 3. Respondent's violations during the aforementioned time period contravened Insurance Law and Regulations.

VIOLATIONS

- 4. By reason of the foregoing, Respondent violated:
 - a. Insurance Law Section 2307(b);
 - b. Insurance Law Section 3111(a);
 - c. Insurance Law Section 3411(k);
 - d. Insurance Law Section 3425(d)(1);
 - e. Insurance Law Section 3425(h)(1);
 - f. Section 65-3.4(b) of Insurance Regulation 68 [11 NYCRR 65];
 - g. Section 65-3.6(a) of Insurance Regulation 68;
 - h. Insurance Law Section 5106(a) and Section 65-3.8 of Insurance Regulation 68;
 - i. Insurance Law Section 5106(a) and Section 65-3.9 of Insurance Regulation 68;
 - j. Section 65-3.16(b) of Insurance Regulation 68;
 - k. Section 216.7(b)(18) of Insurance Regulation 64;
 - l. Section 216.7(b)(19)(ii) of Insurance Regulation 64;
 - m. Sections 216.8(d)(2), and 216.10(d) of Insurance Regulation 64.

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondent, its successors, and assigns (on behalf of its agents, representatives, employees, and any corporation, subsidiary, or division through which Respondent operates) that:

5. Respondent represents, and has demonstrated to the Department, that it has implemented the necessary actions to prevent recurrences of the violations described above and represents that Respondent is now compliant with the aforementioned sections of the Insurance Law and Regulations. Respondent will also take all necessary steps to comply with the Insurance Law and Regulations with respect to its insurance products in the future.

MONETARY PENALTY

6. Within seven (7) days of the execution of this Consent Order, Respondent shall pay a civil penalty of Five Hundred Eighty-Three Thousand Nine Hundred Dollars (\$583,900). Respondent agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.
7. The above referenced payment shall be payable to the New York State Department of Financial Services account at JP Morgan Chase Bank, N.A. via electronic transfer in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

8. In the event that the Department believes Respondent to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondent, and Respondent must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
9. Respondent understands and agrees that Respondent's failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondent's Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and

may use any and all evidence available to the Department for all ensuing examinations, hearings, notices, orders, and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

10. If Respondent defaults on any of its obligations under this Consent Order, the Department may terminate this Consent Order at its sole discretion, upon ten (10) days' written notice to Respondent. In the event of such termination, Respondent expressly agrees and acknowledges that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondent or from using in any way the statements, documents, or other materials produced or provided by Respondent prior to or after the date of this Consent Order, including, without limitation, such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.
11. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondent and the Department's own factual examination. To the extent that representations made by Respondent are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
12. Upon the request of the Department, Respondent shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
13. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: My Chi To, Executive Deputy Superintendent for Insurance

If to the Company:

AIG Property Casualty Company
175 Water Street, 18th Floor
New York, NY 10038
Attention: Steven Harris, Deputy General Counsel


14. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
15. Respondent waives its right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agrees that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
16. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
17. This Consent Order constitutes the entire agreement between the Department and Respondent relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
18. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.

19. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondent for the conduct set forth in this Consent Order, subject to the terms of this Order.
20. This Consent Order may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

AIG PROPERTY CASUALTY COMPANY

By:  Dated: August 10, 2020
Steven Harris
Deputy General Counsel

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By:  Dated: 10/30/2020
My Chi To
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By:  Dated: 10/30/2020
Linda A. Lacewell
Superintendent of Financial Services