

FLORIDA INSURANCE COMMISSIONER SUSPENDS ALLSTATE INSURANCE CO.

Wednesday, January 16, 2008

TALLAHASSEE, Fla. - Florida Insurance Commissioner Kevin McCarty today announced that he is suspending the certificate of authority of Allstate Companies to write new insurance in Florida until they fully comply with the subpoenas served Oct. 16 by the Office of Insurance Regulation (Office).

Today's decision by the commissioner follows Tuesday's action when he abruptly halted the scheduled two-day hearing into the Allstate Companies' reinsurance program, their relationships with risk modeling companies, insurance rating organizations and insurance trade associations. "In view of Allstate's ongoing, blatant disregard of our subpoenas, I have little choice but to take an action that will send a clear message about how seriously I am taking this issue," said Commissioner McCarty. "Suspending their certificate of authority to write new business in our state should make my point.

"If Allstate is willing to pay \$25,000 per day in fines to a [Missouri court](#) for its ongoing failure to provide similar documents, it's obvious to me that it will

take more than a monetary sanction to get them to comply with our subpoenas."

Allstate was to have provided all appropriate company documents related to the above topics at or before Tuesday's hearing, but failed to do so. Instead, the Office received 51 pages of objections to the subpoenas.

The suspension applies to Allstate Insurance Co., Allstate Indemnity Co. and Allstate Property and Casualty Co., and it only suspends the companies from writing new business in Florida.

Existing policyholders will not be affected. Allstate must continue to service them and the companies must make all required statutory filings including, but not limited to, audited annual financial statements, quarterly financial statements and rate filings.

"The duration of the suspension is up to them," added McCarty. "It will be lifted when I am satisfied that we have received each and every document we need to properly investigate the important issues before us.

"It continues to trouble me that Allstate has not complied with our subpoenas and is not willing to explain to us their relationships with rating agencies, modeling companies and trade groups and how these relationships might have influenced the huge rate increases they have requested. This clearly cannot be in the best interests of Florida consumers."

This is the first time the Office has suspended a company for failure to "freely" provide documents as required by Florida law.

A copy of the [subpoena](#) is available to review.

Allstate Floridian Indemnity and Allstate Floridian Insurance Company have requested rate increases of 28.3 percent and 41.9 percent respectively. Encompass Floridian Indemnity requested a 38.4 percent increase, and Encompass Floridian Insurance Company requested a 39.7 percent increase.

About the Florida Office of Insurance Regulation

The Florida Office of Insurance Regulation (Office) has primary responsibility for regulation, compliance and enforcement of statutes related to the business

of insurance and the monitoring of industry markets. Business units within the Office are organized based on regulatory expertise and include the areas of life and health, property and casualty, specialty lines and other regulated insurance entities. It is within the Office that the mission of public protection is implemented through regulatory oversight of insurance company solvency, policy forms and rates, market conduct performance and new company entrants to the Florida market.

For more information about the Office, please visit www.floir.com. If you would like to review and compare homeowners insurance rates in Florida, go to www.shopandcomparerates.com.

