

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

<b>In the Matter of</b>	)	
	)	<b>CONSENT ORDER</b>
<b>Allstate Insurance Company,</b>	)	
<b>FEIN 36-0719665,</b>	)	<b>FILE NO. CO-12-376</b>
	)	
<b>Respondent.</b>	)	

Insurance Commissioner Adam Hamm, hereinafter "Commissioner", has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D.C.C. § 26.1-01-03.

2. Allstate Insurance Company, FEIN 36-0719665 ("Respondent"), is an insurance company that provides property and casualty insurance, is licensed under N.D.C.C. ch. 26.1-11 as a foreign corporation, and has been duly authorized to do business in North Dakota since June 4, 1932.

3. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order, and this Consent Order is made in the public interest.

4. On or about November 4, 2011, staff of the North Dakota Insurance Department ("Department"), acting upon information received, went online to the following website ("website"):

[https://www.facebook.com/mayhemhere?sk=app\\_102733233159716&app\\_data=OTC-Q4Q-Facebook-110801%2Cfbpost2](https://www.facebook.com/mayhemhere?sk=app_102733233159716&app_data=OTC-Q4Q-Facebook-110801%2Cfbpost2).

The website contained a promotion designed to sell automobile insurance coverage by offering a free T shirt or ringtone in exchange for obtaining a quote.

5. The promotion stated, in part:

Enter your zip below to get an Allstate auto quote. Then click "Quote now" to get a fast and easy quote. Be sure to enter your email address when asked. After you've completed your quote, look for an email to select your free Mayhem t-shirt or ringtone....[Allstate logo]...Promotion ends 12/31/2011. No purchase of insurance necessary. Promotion not available in Georgia, New Mexico, New York and Nevada.... © 2011 Allstate Insurance Co.

6. Respondent delivered 24 gifts to North Dakota residents due to the promotion and Respondent ended the promotion on December 31, 2011.

7. N.D.C.C. § 26.1-25-16 prohibits the offering of any valuable consideration or inducement to purchase insurance by an insurer, except to the extent provided for in an applicable filing.

No insurer or employee of an insurer, and no broker or agent may pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in an insurance policy, or any special favor or advantage in the dividends or other benefits to accrue on the policy, or any valuable consideration or inducement whatever, not specified in the insurance policy, except to the extent provided for in applicable filing....

8. N.D.C.C. § 26.1-25-16 further bars a producer from giving a gift or promotional article that is conditioned on obtaining a quote.

9. Respondent's conduct in making the T shirt and ringtone offer and in giving the T shirt or ringtone in exchange for obtaining a quote is a violation of N.D.C.C. § 26.1-25-16.

10. The aforementioned violation of state law constitutes grounds upon which Respondent's Certificate of Authority may be revoked pursuant to N.D.C.C. § 26.1-11-08(2).

11. Respondent may be subjected to an administrative penalty pursuant to N.D.C.C. § 26.1-01-03.3.

**CONSENSUAL INFORMAL DISPOSITION**

12. Respondent has been duly apprised of all allegations.

13. Respondent and the Commissioner have agreed to an informal disposition of this matter without entry of a Cease and Desist Order by the Commissioner or other further administrative proceedings, as provided by N.D.C.C. § 28-32-22, and enter into the following Consent Order.

NOW, PURSUANT TO THE AGREEMENT OF THE PARTIES, IT IS HEREBY ORDERED THAT:

1. Respondent agrees to comply with the prohibition against giving of a gift, prize, promotion article, logo merchandise, meal, or entertainment activity conditioned on obtaining a quote for insurance.

2. Respondent agrees that future offers, promotions, advertisements and the like that offer a gift in exchange for obtaining a quote communicated to residents of North Dakota will list North Dakota as a state where the offer is not available.

3. Respondent shall pay an administrative penalty in the amount of \$2,400 to the State of North Dakota within 15 days of the execution of this Order. Payment must be sent to: North Dakota Insurance Department, 600 East Boulevard Avenue, Dept. 401, Bismarck, ND 58505.

4. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of the license or authority.

DATED this 12<sup>th</sup> day of December, 2012.

  
\_\_\_\_\_  
Adam Hamm  
Commissioner  
N.D. Insurance Department

#### CONSENT TO ENTRY OF ORDER

The undersigned, Jennifer Egeland, on behalf of **Allstate Insurance Company (the Company)**, states that the undersigned has read the foregoing Consent Order and is authorized by the Company to consent to the entry of this order. The undersigned, on behalf of the Company, fully understands the contents and effect of the Consent Order. The Company has been advised of its right to be represented by legal counsel, to request a hearing in this matter, to present evidence and arguments to the Commissioner, and of its right to appeal from an adverse determination after hearing. By the signing of this Consent to Entry of Order the undersigned on behalf of the Company waives those rights in their entirety and consents to the entry of this Consent Order by the Insurance Commissioner and agrees to be bound by it. It is further expressly understood that this Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

DATED this 10 day of December, 2012.

Allstate Insurance Company

By: Jennifer Egeland  
Print Name: Jennifer Egeland  
Title: Director, Marketing

Subscribed and sworn to before me

this 10 day of December, 2012.

Erna Christine Ritter  
Notary Public



State of IL  
County of Cook

My Commission Expires: 10-31-2015