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FOR IMMEDIATE RELEASE

**INSURANCE COMMISSIONER ORR ORDERS \$17.5 MILLION
RETURNED TO MARYLAND ALLSTATE AUTO POLICYHOLDERS**

Investigation Triggered by Consumer Complaints about Premium Increases; Allstate is State's Third Largest Auto Insurer

Baltimore, MD (October 19, 2006)... Maryland Insurance Commissioner R. Steven Orr ordered Allstate to return \$17.5 million to 20,571 Allstate auto policyholders in Maryland. This restitution is in addition to a \$100,000 administrative penalty Allstate agreed to pay. What began as a series of complaints to the Maryland Insurance Administration's Property & Casualty Section, soon resulted in a referral to the Property & Casualty Market Conduct Unit. It was during this investigation that Commissioner Orr discovered Allstate had sent certain notices of premium increase between January 1, 2003 and March 1, 2005 that were not in compliance with Maryland's Insurance Law. Maryland law requires any notice of premium increase must disclose a description of the accident or violation which is the basis for the premium increase.

"Governor Ehrlich and I are committed to protecting Maryland consumers. We believe the foremost mission of this agency is to assure that all insurance companies doing business in Maryland obey Maryland insurance laws. It is one of the most basic consumer protections we offer and we intend to enforce it," Commissioner Orr explained.

Allstate had until October 3, 2006 to audit policyholder records between January 1, 2003 and March 1, 2005 and make appropriate adjustments, plus interest, on credit or refund amounts due to affected policyholders. This audit resulted in the refund of \$17.5 million to Maryland citizens. Affected policyholders have been notified by Allstate.

The Maryland Insurance Administration, founded in 1872, is an independent State agency of 280 employees located in downtown Baltimore. This agency *educates* Maryland consumers about insurance and *regulates* Maryland's multi-billion insurance industry. In its regulatory role, the MIA ensures that insurance companies, health plans and all producers selling insurance comply with Maryland law. In its consumer protection role, the MIA regulates insurance rates, monitors insurer solvency and travels across the State informing residents about insurance.