



Illinois Department of Insurance

BRUCE RAUNER
Governor

JAMES A. STEPHENS
Acting Director

June 16, 2015

Robin Bogdanich
Senior Regulatory Compliance Manager
Esurance Insurance Companies
P.O. Box 2890
Rocklin, CA 9567

Re: Esurance Insurance Company, NAIC #25712
Esurance Property & Casualty Insurance Company, NAIC #30210
Market Conduct Examination Stipulation and Consent Order

Dear Ms. Bogdanich:

The Department has reviewed your company's proof of compliance and deems it adequate and sufficient. Therefore, the Department is closing its file on this exam. I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132.

If you have any questions, my contact information is listed below.

Sincerely,

A handwritten signature in cursive script that reads "Jack Engle".

Jack Engle, MCM
Assistant Deputy Director-Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington- 5th Floor
Springfield, IL 62767
Phone: 217-558-1058
Email: jack.engle@illinois.gov

ESURANCE INSURANCE COMPANY
ESURANCE PROPERTY & CASUALTY COMPANY
REPORT

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: March 4, 2013 through October 6, 2014

EXAMINATION OF: Esurance Insurance Company, NAIC # 25712
(P & C Foreign)

Esurance Property & Casualty Company, NAIC # 30210
(P & C Foreign)

LOCATION: 1011 Sunset Blvd., Suite 100
Rocklin, CA 95765

PERIOD COVERED BY EXAMINATION: January 1, 2012 through December 31, 2012

EXAMINERS: Barry L. Wells, Examiner-in-Charge
William Birch, Examiner
Michael Descy, IT Examiner
Stephan Donk, Examiner
Kent Dover, Examiner
Mary Hartell, Examiner
Ernest Nickerson, Examiner
Cindy Wood, Examiner

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I. SUMMARY

A comprehensive market conduct examination of Esurance was performed to determine compliance with Illinois Statutes and Illinois Administrative Code. The following represent general findings, however, specific details are found in each section of the report.

<u>TABLE OF TOTAL VIOLATIONS</u>						
Crit #	Statute/Rule	Description of Violation	Population	Files Reviewed	Number of Violations	Error %
Claims – 2 Automobile 1 st Party Closed w/o Payment	50 Ill. Adm. Code 919.50 (a)(1)	The Company failed to include the Notice of Availability with the claim denial.	1,394	77	1	1.3%
Claims – 3 Automobile Subrogation	215 ILCS 5/143b	The Company failed to return the insured's deductible in a timely manner.	236	77	2	2.6%
Claims – 3 Automobile Subrogation	215 ILCS 5/143b	The Company made an error in the amount of the deductible paid to the insured.	236	77	1	1.3%
Claims – 3 Automobile Subrogation	50 Ill. Adm. Code 919.80(c)	The Company failed to properly pay the sales tax or title/transfer fees to the insured.	236	77	3	3.9%
Claims – 4 Automobile Third Party Closed w/o Payment	50 Ill. Adm. Code 919.30(c), 919.40	The Company failed to maintain work papers properly dated and compiled in sufficient detail to allow for the reconstruction of all pertinent events and the Company's activities.	883	77	1	1.3%
Claims – 5 Automobile Total Loss	50 Ill. Adm. Code 919.80(c)	The Company failed to provide the minimum information contained in Exhibit "A" within 7 days determination of the total loss.	489	77	5	6.5%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute/Rule	Description of Violation	Population	Files Reviewed	Number of Violations	Error %
Claims – 5 Automobile Total Loss	50 Ill. Adm. Code 919.80(c)	The Company failed to reimburse tax, title/transfer fees.	489	77	1	1.3%
Claims – 5 Automobile Total Loss	50 Ill. Adm. Code 919.80(c)	The Company incorrectly paid tax, title/transfer fees without any support.	489	77	2	2.6%
Claims – 5 Automobile Total Loss	215 ILCS 5/143b	Subrogation was collected in installments but the Company failed to reimburse the insured.	489	77	1	1.3%
Claims – 5 Automobile Total Loss	50 Ill. Adm. Code 919.60(a)	The Company included a disbursement check paid to the insured containing the wording “full or final.”	489	77	1	1.30%
Complaints - 1	50 Ill. Adm. Code 919.80(d)(1)(B)	A claimant of the Company was required to travel an unreasonable distance to obtain a repair estimate.	11	11	1	9.1%
Unclaimed Property – 1	74 Ill. Adm. Code 760.35(a)	Communication letters mailed to claimants did not include a reference required by Illinois statute.	15,554	10	10	100%
Underwriting – 2 Automobile Cancellations – Insured Initiated	215 ILCS 5/143.12a	The Company failed to make a refund within 30 days of receiving the cancellation request.	5,846	54	1	1.9%

II. BACKGROUND

Esurance Insurance Company

Esurance Insurance Company (“EIC” or the “Company”) began as the Tri-State Casualty Insurance Company (“Tri-State”), which was incorporated pursuant to the laws of Oklahoma on December 1, 1933 and commenced business in Ottawa County, Oklahoma marketing accident, liability, and workers’ compensation coverages. Tri-State was ultimately acquired by White Mountains Insurance Group in 2001. Tri-State’s name was changed to Esurance Insurance Company on August 28, 2002 and was re-domiciled to Wisconsin. On October 7, 2011 the Allstate Corporation announced that it acquired EIC. EIC is a monoline insurance company, offering private passenger automobile insurance, which is marketed through its captive agent network.

Total Direct Written Premiums in Illinois for Esurance Insurance Company was as follows:

Year	Total Direct Written Premium in Illinois	Current Market Share
2012	\$10,931,566	.05%
2013	\$7,627,000	.03%
As of June 2014	\$3,157,283	

Source: Esurance Insurance Company NAIC Annual Statement – Exhibit of Premiums and Losses (Statutory Page 19 Data).

Esurance Property and Casualty Insurance Company

Esurance Property and Casualty Insurance Company (“EPC” or the Company”) began as Pacific Security Insurance Company (“Pacific”), which was incorporated pursuant to the laws of California on October 22, 1987 and commenced business on December 30, 1987. Pacific’s name and ownership were changed as the result of various acquisitions and became EPC on January 2, 2002 and on June 25, 2010 applied for re-domestication to Wisconsin. On October 7, 2011 the Allstate Corporation announced that it acquired EPC. EPC offers private passenger automobile insurance and homeowners multi-peril coverages, which is marketed through its captive agent network.

Total Direct Written Premium in Illinois for Esurance Property & Casualty Insurance Company was as follows:

Year	Total Direct Written Premium in Illinois	Current Market Share
2012	\$19,162,908	.09%
2013	\$30,942,000	.14%
As of June 2014	\$22,596,115	

Source: Esurance Property & Casualty Insurance Company NAIC Annual Statement – Exhibit of Premiums and Losses (Statutory Page 19 Data).

III. METHODOLOGY

The Market Conduct Examination covered the business for the period of January 1, 2012 through December 31, 2012. Specifically, the examination focused on a review of the following areas.

1. Risk Selection;
2. Claim file handling practices and procedures;
3. Complaints handling and maintenance of records;
4. Marketing and Sales practices and procedures;
5. Operations and Management governance and procedures;
6. Policyholder Services practices and procedures;
7. Producer Licensing practices and procedures;
8. Unclaimed Property procedures and protocols and,
9. Underwriting and Rating practices and procedures.

The review of the categories was accomplished through examination of claim files and procedures, underwriting files and procedures, appointed and terminated producer files, marketing and sales materials, operations and management materials, unclaimed property listings and files, and complaint files. Each of the categories was examined for compliance with Department Regulations and applicable State laws.

The report concerns itself with improper practices performed by the Company which resulted in failure to comply with Illinois statutes and/or administrative rules. Criticisms were prepared and communicated to the company addressing violations discovered in the review process. All valid violations were cited in the report.

The following methods were used to obtain the required samples and to assure a methodical selection:

Risk Selection

Automated Command Language (ACL) was used to select blended random samples from EIC and EPC's underwriting data, which was provided by the Company. Files were reviewed and tested for compliance with specific Illinois Statutes and Illinois Administrative Code for the populations noted in the table below.

Population Name	Policy Type	Underwriting Category	Population Count	Sample Size	Percent Reviewed
Esurance Auto Cancels	Auto	Cancellations – Insured Initiated	5,846	54	0.92%
Esurance Auto Cancels	Auto	Cancellations – Company Initiated	2,433	54	2.22%
Esurance Auto Non-renewals	Auto	Non-renewals	254	54	21.26%

Claims

ACL was used to select blended random samples from EIC and EPC's claims data, which was provided by the Company. Claim files were reviewed and tested for compliance with specific Illinois Statutes and Illinois Administrative Code for the populations noted in the table below.

Population Name	Company	Policy Type	Claim Category	Population Claim Count	Sample Size	Percent Reviewed
Esurance Auto Closed with Payment	Esurance	Auto	First Party Closed with payment	1,211	77	6.36%
Esurance Auto Closed with Payment	Esurance	Auto	Third Party Closed with payment	1,444	77	5.33%
Esurance Auto Closed without Payment	Esurance	Auto	First Party Closed without payment	1,394	77	5.52%
Esurance Auto Closed without Payment	Esurance	Auto	Third Party Closed without payment	883	77	8.72%
Esurance Auto Closed with Payment	Esurance	Auto	Total Loss	489	77	15.75%
Esurance Auto Subrogation	Esurance	Auto	Subrogation	236	77	32.63%

Median payment periods were measured from the date the first notice of loss was received to the date of payment or denial to the member.

Department and Company Complaints

Consumer complaint files received by the Company during the examination period, as well as those received by the ILDOI, were requested. There were a total of 6 consumer complaints originating with the ILDOI, and 4 submitted directly to the Company. The Examiners reviewed all 10 complaint files.

Additionally, the Examiners reviewed the Company's complaint registry to ensure compliance with 215 ILCS 5/143d.

Median periods were measured from the date of notification by the complainants to the date of response by the Company.

Marketing and Sales

A listing of the Company's Marketing and Sales materials in use during the period of the examination was requested from the Company. From this list a judgmental selection of materials was selected for review. Additionally, the Examiners searched and reviewed the Company's Marketing and Sales information on the internet.

Operations and Management

The Examiners reviewed this category consistent with the requirements of the relevant Market Regulation Handbook (the "Handbook") Standards. Information and documentation received from the Company was related to: internal operations, governance and protocols and procedures related to disaster recovery, privacy practices and security and disclosure notifications.

Policyholder Services

The policyholder services category was reviewed consistent with the Handbook Standards. Certain Standards related to this category were incorporated during the underwriting testing and included reviewing premium and billing procedures and timeliness of policy issuance and cancellations.

Producer Licensing

A judgmental sample of 53 active and terminated Esurance agents was selected from a listing prepared by the Company. The examination included a review of the Company's compliance regarding producer licenses and continuing professional education.

Unclaimed Property

A list of 15,554 escheatments remitted on behalf of the Company during the examination period was reviewed. The Examiners selected a judgmental sample of 50 unclaimed property transactions for review.

Underwriting and Rating

ACL was used to select blended random samples from EIC and EPC's underwriting data, which was provided by the Company. Underwriting files were reviewed and tested for compliance with specific Illinois Statutes and Illinois Administrative Code for the population noted in the table below.

Population Name	Policy Type	Underwriting Category	Population Count	Sample Size	Percent Reviewed
Esurance Auto New	Auto	New Business	1,682	54	3.21%

IV. FINDINGS

A. Risk Selection:

Cancellations and non-renewals were requested on the basis of the effective date of the transaction falling within the period under examination. They were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and possible discrimination.

1. Automobile Cancellations – Insured Initiated

- In one (1) automobile cancellation file or 1.9% of the 54 files reviewed, showed the Company failed to make the premium refund within 30 days of receiving the cancellation request as required by 215 ILCS 5/143.12a(b)(2).

2. Automobile Non-Renewals

- There were no Findings in the Automobile Non Renewals review.

B. Claims:

1. Automobile First Party Closed With Payment

The median payment period was 19 days. Please refer to the Technical Appendices for additional details.

A review of 77 automobile first party closed with payment claims produced no criticisms.

2. Automobile Third Party Closed With Payment

The median payment period was 15 days. Please refer to the Technical Appendices for additional details.

A review of 77 automobile third party closed with payment claims produced no criticisms.

3. Automobile First Party Closed Without Payment

- One (1) automobile first party closed without payment claim or 1.30% of the 77 files reviewed, failed to include the Notice of Availability of the Department of Insurance with the claim denial as required by 50 Ill. Adm. Code 919.50(a)(1).

4. Automobile Third Party Closed Without Payment

- One (1) automobile third party closed without payment claim or 1.30% of the 77 files reviewed showed the Company failed to maintain communications,

notes and work papers properly dated and compiled in sufficient detail in order to allow for the reconstruction of all pertinent events of the Company's activities relative to each claim file as required by 50 Ill. Adm. Code 919.30(c), and 919.40. Details about the use of a collection agency to pursue subrogation recovery were not noted in the claim file.

5. Automobile Total Loss

The median payment period was 26 days. Please refer to the Technical Appendices for additional details.

- Five (5) total loss claim files or 6.49% of the 77 files reviewed showed the Company failed to provide the minimum information contained in Exhibit "A" within 7 days of determination of the total loss as required by 50 Ill. Adm. Code 919.80(c).
- Two (2) total loss claim files or 2.60% of the 77 files reviewed showed the Company incorrectly paid tax, title/transfer fees without supporting evidence of purchase of a replacement vehicle for the payment as required by 50 Ill. Adm. Code 919.80(c).
- One (1) total loss claim file or 1.30% of the 77 files reviewed showed the Company failed to reimburse the insured tax, title/transfer fees on the purchase of a new vehicle as required by 50 Ill. Adm. Code 919.80(c).
- One (1) total loss claim file or 1.30% of the 77 files reviewed showed the Company collected subrogation recovery by installments but failed to reimburse the insured as required by 215 ILCS 5/143b.
- One (1) total loss claim file or 1.30% of the 77 files reviewed included a disbursement check paid to the insured containing the wording "full or final" when the policy limit was not met or there was no dispute of the amount payable in violation of 50 Ill. Adm. Code 919.60(a).

6. Automobile Subrogation

The median payment period was 19 days. Please refer to the Technical Appendices for additional details.

- Two (2) subrogation files or 2.60% of the 77 files reviewed showed the Company failed to refund the insured's deductible in a timely manner as required by 215 ILCS 5/143b.
- One (1) subrogation file or 1.30% of the 77 files reviewed showed the Company made an error in the amount of the deductible paid to the insured in violation of 215 ILCS 5/143b.
- Three (3) subrogation files or 3.90% of the 77 files reviewed showed the Company did not properly pay the sales tax or title/transfer fees to the insured as required by 50 Ill. Adm. Code 919.80(c).

C. Complaints:

The Company responded to all complaints reviewed within 30 days. Please refer to the Technical Appendices for additional details.

- One (1) complaint file or 9.1 % of the 11 files reviewed showed the Company required a claimant to travel an unreasonable distance to obtain a repair estimate in violation of 50 Ill. Adm. Code 919.80(d)(1)(B). In addition, the complaint file contained evidence that showed the Company suggested the claimant take their damaged vehicle to a repair facility recommended by Allstate without informing the claimant they may take the vehicle to a repair facility of their choice consistent with 50 Ill. Adm. Code 919.80(d)(1)(B).

D. Unclaimed Property:

- In fifty (50) unclaimed property transactions or 100% of the 50 transactions reviewed, the Company failed to include language in Communication Letters to owners as required by 74 Ill. Adm. Code 760.35(a), which includes the following statement: *The steps required by the owner to have the holder continue to maintain the property for the owner.*

E. Underwriting and Rating:

3. Automobile New Business

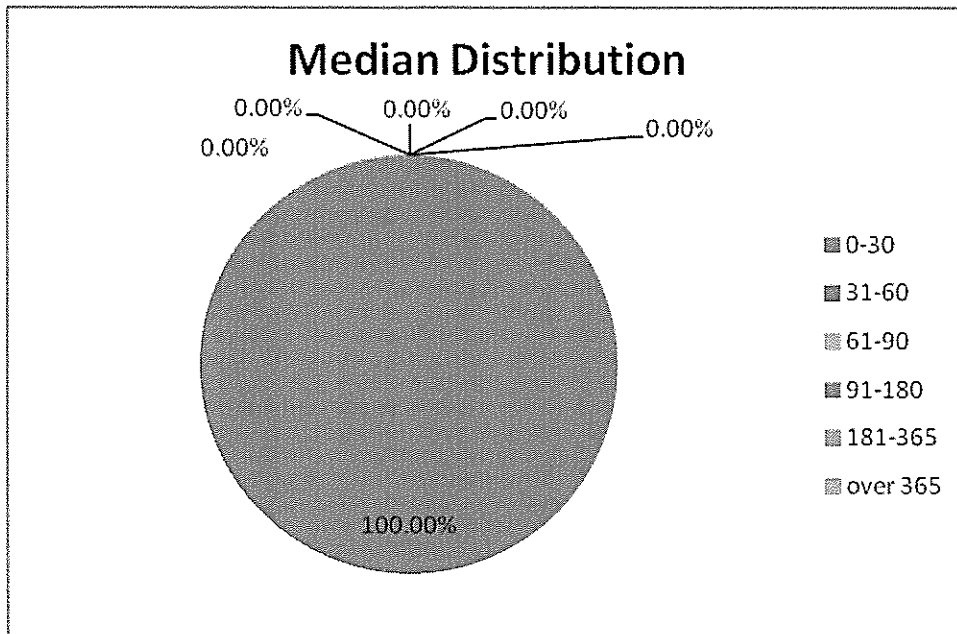
- There were no Findings in the Automobile New Business review.

V. INTERRELATED FINDINGS

- A. During the review of a sample of automobile total loss claims, a single underpayment was identified where Tax, Title/Transfer Fees were not remitted to the insured. Additionally, during the review of a sample of automobile subrogation claims, two files were identified where an underpayment occurred. One underpayment concerned a pro rata deductible issue, while the second underpayment related to Tax, Title/Transfer fees, which were not properly remitted to the consumer.
- B. While reviewing documents related to Esurance contractual arrangements, falling under the Operations and Management scope of the examination, only one of the contracts contained language addressing privacy and the protection of data by indicating *“Receiving Party shall safeguard and hold all Confidential Information of Disclosing Party in strict confidence and agrees that all Confidential Information shall be disclosed only to its employees and agents on a need-to-know basis and who agree to be bound by terms and conditions at least as stringent as these confidentiality restrictions. Receiving Party shall maintain commercially reasonable administrative, technical, and physical safeguards to protect the security and confidentiality of all Confidential Information of Disclosing Party.”* The remaining contracts that were provided do not contain this, or similar, language addressing the privacy and protection of data.

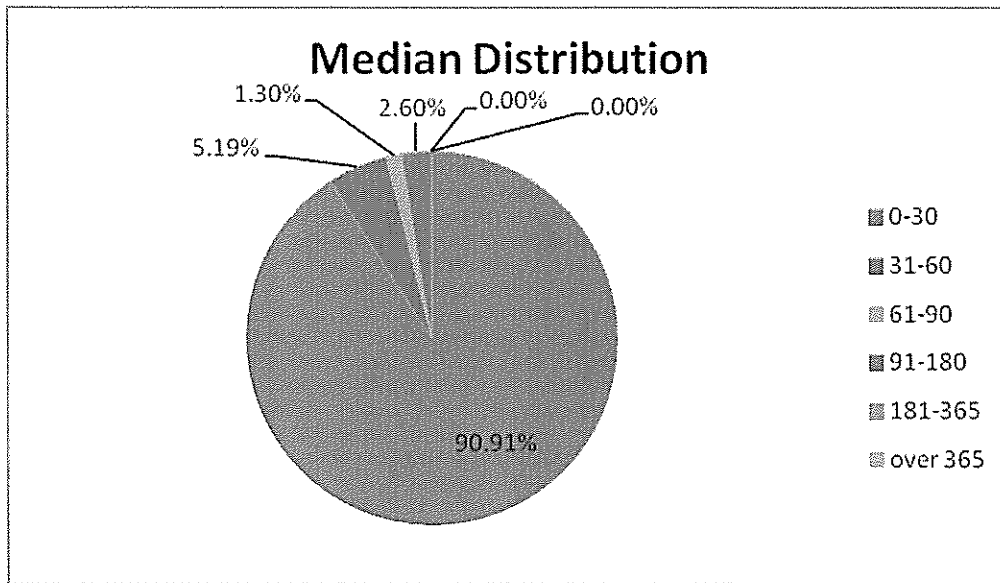
VI. TECHNICAL APPENDICES

Complaints Originating with the Illinois Department of Insurance and Received by Esurance



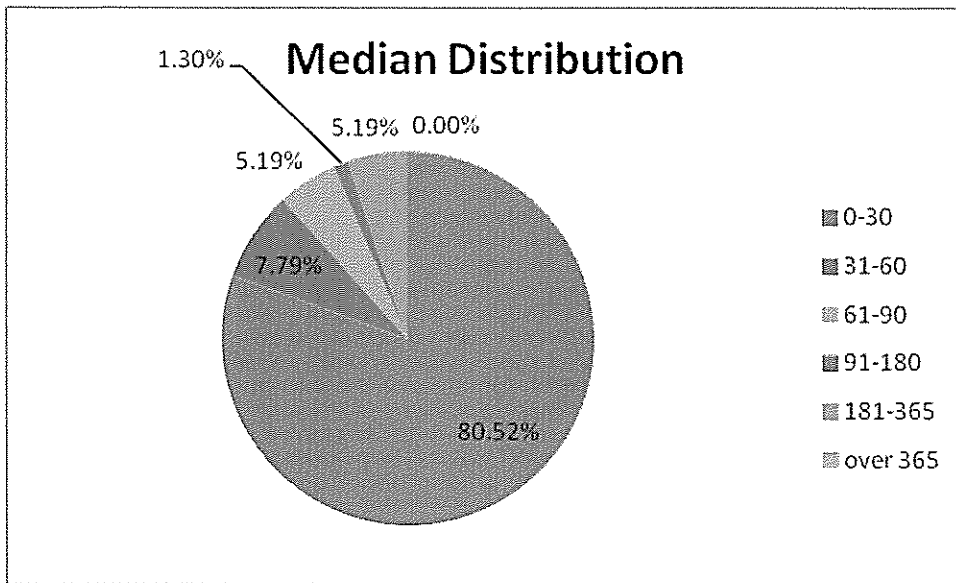
No. Days Category	MEDIAN DISTRIBUTION	
	Number	Percent
0-30	10	100.00%
31-60	0	0.00%
61-90	0	0.00%
91-180	0	0.00%
181-365	0	0.00%
over 365	0	0.00%
Total	10	100.00%

FIRST PARTY CLOSED WITH PAYMENT



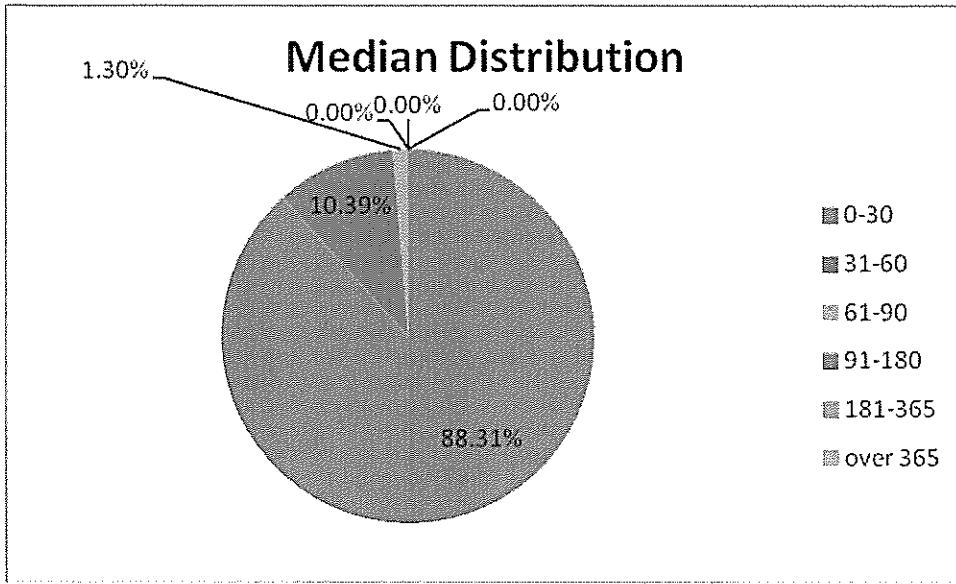
1st Party MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	70	90.91%
31-60	4	5.19%
61-90	1	1.30%
91-180	2	2.60%
181-365	0	0.00%
over 365	0	0.00%
Total	77	100.00%

THIRD PARTY CLOSED WITH PAYMENT



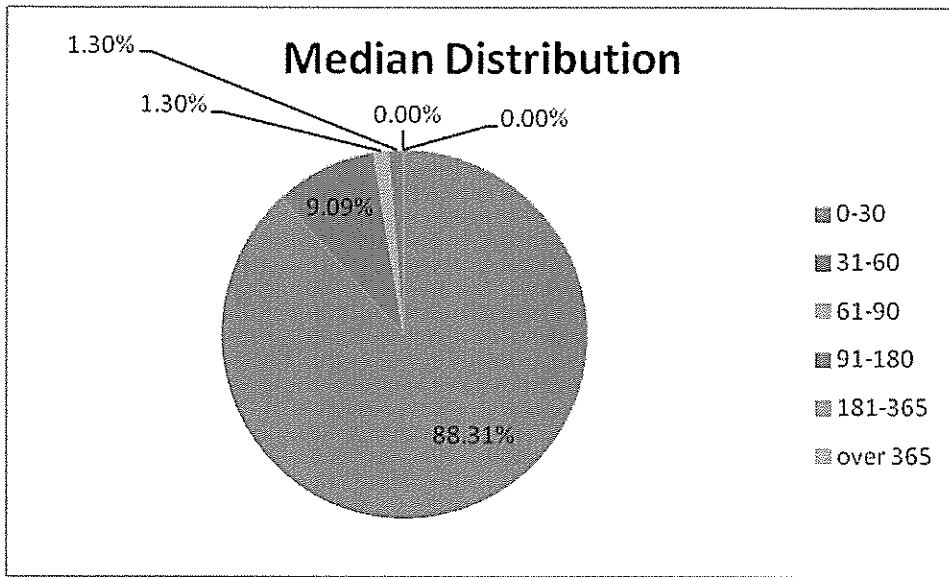
3 rd Party MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	62	80.52%
31-60	6	7.80%
61-90	4	5.19%
91-180	1	1.30%
181-365	4	5.19%
over 365	0	0.00%
Total	77	100.00%

TOTAL LOSS PAID



TOTAL LOSS MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	68	88.31%
31-60	8	10.39%
61-90	1	1.30%
91-180	0	0.00%
181-365	0	0.00%
over 365	0	0.00%
Total	77	100.00%

SUBROGATION PAID



SUBROGATION MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	68	88.31%
31-60	7	9.09%
61-90	1	1.30%
91-180	1	1.30%
181-365	0	0.00%
over 365	0	0.00%
Total	77	100.00%

STATE OF New Jersey)
) ss
COUNTY OF MONMOUTH)

Barry L. Wells, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Esurance Insurance Company, NAIC # 25712, and Esurance Property & Casualty Company, NAIC # 30210 (the "Companies").


That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Companies with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Companies' business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Companies nor any of the Companies' affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That she/he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Companies for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Companies.


Examiner-In-Charge

Subscribed and sworn to before me
this 15 day of November, 2014.


Notary Public

RONNIE GERINGER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan.-9, 2018



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

Esurance Insurance Company, NAIC # 25712; and
Esurance Property & Casualty Company, NAIC # 30210

STIPULATION AND CONSENT ORDER

WHEREAS, the Director ("Director") of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Esurance Insurance Company, ("EIC"), NAIC # 25712, is authorized under the insurance laws of the State of Wisconsin and by the Director as a foreign stock insurance company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, Esurance Property & Casualty Company, ("EPCC"), NAIC # 30210, is authorized under the insurance laws of the State of California and by the Director as a foreign stock insurance company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, Esurance Insurance Company, ("EIC"), NAIC # 25712, and Esurance Property & Casualty Company, ("EPCC"), NAIC # 30210, are hereafter collectively referred to as the "Companies"; and

WHEREAS, a Market Conduct Examination of the Companies was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, 407, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, , 5/403, 5/407.2, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Companies were not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS nothing herein contained, nor any action taken by the Companies in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Companies; and

WHEREAS, the Companies are aware of and understand their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, and 407, 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Companies understand and agree that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Companies and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Companies and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Companies were not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Companies consent to this Order requiring the Companies to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Companies shall:

1. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.50(a)(1) which require the Companies provide the Notice of Availability of the Department of Insurance on all first party claim denials.
2. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.30(c) and 919.40 to allow for the reconstruction of all pertinent events and the Companies' activities related to each claim file.
3. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.80(c) to ensure the Companies provide insureds, at a minimum, the information contained in Exhibit A of this Part within 7 days after the total loss determination.
4. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.80(c)(3) to pay the applicable sales tax, and title/transfer fees.
5. Institute and maintain policies and procedures consistent with 215 IL CS 5/143b whereby the Companies will return the full and correct pro-rata share of the deductible to their insureds. Attention should be given to instances where the Companies receive reimbursement through installment agreements.
6. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.60(a) to not use verbiage including "final" or "release", or any other similar release language on any payment draft, check or accompanying letter.

7. Institute and maintain policies and procedures consistent with 50 Ill. Adm. Code 919.80(d)(1)(B) to ensure the Companies do not require an insured or claimant to travel unreasonably either to obtain a repair estimate or have the vehicle repaired at a specific repair shop recommended by the Companies.
8. Institute and maintain policies and procedures consistent with 74 Ill. Adm. Code 760.35(a) to include the minimum required language in unclaimed property communication letters to owners.
9. Institute and maintain policies and procedures consistent with 215 ILCS/5/143.12a(b)(2) to ensure the Companies issue premium refunds within 30 days of the date the companies receive the request for cancellation from the policyholder.
10. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above nine (9) orders within 30 days of receipt of this Order.
11. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$27,000 to be paid within 30 days of execution of this Order.
12. NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of:

Esurance Insurance Company, NAIC # 25712; and
Esurance Property & Casualty Company, NAIC # 30210



Signature

CHARLES LEE

Name

VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL

Title

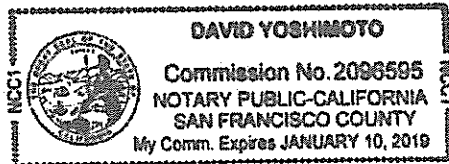
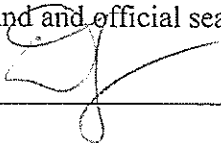
State of California
County of San Francisco

On April 17, 2015 before me, David Yoshimoto Notary Public personally appeared Charles Lee who proved to me on the on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me the her executed the sane in his authorized capacity, and that by his on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal

Signature



DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE

4-22-15

James Stephens
Director

