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Commissioner Stewart Fines Two Auto Insurers \$50,000 **Fines Could Go Higher**

Stewart: "I will make sure drivers get the discount."

Dover, DE - Delaware Insurance Commissioner Karen Weldin Stewart has fined Allstate Insurance Company and Encompass Insurance Company a total of \$50,000 for violations of Delaware insurance law. The fines are contained in two separate Consent Orders, signed by Commissioner Stewart this month.

Commissioner Stewart's Allstate Consent Order asserts that the company violated insurance law by failing to provide defensive driving discounts to qualifying policyholders. Stewart's Encompass Consent Order asserts the company violated the law by imposing an accident surcharge on policyholders involved in accidents even though they were not the party at fault. In all, 3,645 Delaware policyholders were impacted.

Commissioner Stewart said, "It's my job to protect consumers and to make sure insurers get it right. They've got to make sure their business processes align with Delaware insurance laws or face the consequences. I believe imposing these fines will help protect our citizens and prevent future, similar errors."

Commissioner Stewart also believes both companies did a good job of notifying and refunding all monies owed to policyholders, which totaled \$848,355. However, Stewart remains concerned about the effect these types of mistakes have on highway safety efforts, especially her Department's defensive driving program.

Commissioner Stewart said, "One of my goals is to improve our state's highway safety by getting more Delaware drivers into our defensive driving courses. What is more, I am committed to making sure that drivers who complete an approved defensive driving course get the discount to which they are lawfully entitled."

Allstate and Encompass cited computer errors and programming oversight as the cause of the violations and have said the problems have been fixed. Commissioner Stewart wrote the Orders in a way that enables her to increase the fines up to \$100,000 on each company if the problems re-emerge.