

No. **2026-10168**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 09/30/2026

Subjects Considered:

Allstate County Mutual Insurance Company
Allstate Fire and Casualty Insurance Company
3075 Sanders Rd Ste H1A
Northbrook, Illinois 60062-7119

Allstate North American Insurance Company
Encompass Independent Insurance Company
Esurance Insurance Company
3100 Sanders Rd Ste 201
Northbrook, Illinois 60062-7155

Integon Indemnity Corporation
PO Box 3199
Winston Salem, NC 27102-3199

Consent Order

TDI Enforcement File Nos. 38947, 39577, 39928, 39953, 39954, and 39955

General remarks and official action taken:

This is a consent order with Allstate County Mutual Insurance Company (Allstate County Mutual), Allstate Fire and Casualty Insurance Company (Allstate Fire and Casualty), and Allstate North American Insurance Company (Allstate North American), Encompass Independent Insurance Company (Encompass), Esurance Insurance Company (Esurance), and Integon Indemnity Corporation (Integon) (collectively, the "Allstate Companies"). The department discovered that Allstate County Mutual used an underwriting tier mapping

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that had not been filed with the department and Allstate County Mutual agreed to pay an administrative penalty of \$70,000. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon self-reported a rating error that affected certain personal automobile policyholders. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon agreed to pay restitution, with interest, to the affected policyholders of more than \$2.6 million.

Waiver

The Allstate Companies acknowledge that the Texas Insurance Code and other applicable law provide certain rights. The Allstate Companies waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Allstate County Mutual is a county mutual insurance company holding a certificate of authority to transact business in Texas.
2. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon are all foreign fire and casualty insurance companies that hold certificates of authority to transact business in Texas.

Underwriting Tier Mapping Table

3. In October 2025, the department discovered that Allstate County Mutual was using an underwriting tier mapping that had not been filed with the department.
4. Specifically, on October 31, 2024, Allstate County Mutual made a rate and rule filing that included an underwriting tier model but failed to include the underwriting tier mapping. Allstate County Mutual filed the underwriting tier mapping on October 2, 2025, after correspondence from the department.

Drivewise Rating Error

5. In May and September 2026, Allstate Fire and Casualty, Allstate North American, Encompass, Esurance¹, and Integon reported to the department that they

¹ The policies associated with Esurance include policies written directly through Esurance and those written through a fronting agreement with another unaffiliated insurer.

discovered an error involving driving scores created by Allstate's Drivewise usage-based telematics program.

6. Specifically, a filter that excludes certain driving events was inadvertently removed during an iOS update on policyholders' iPhones, resulting in increased adverse driving events for impacted customers. The increased adverse driving events resulted in incorrect driving scores and overcharges for certain policyholders.
7. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon detected the initial error in late 2024 and began working on a corrective action process, including recalculating the driving scores for the impacted customers using the filter. The companies represent a second error was identified in August 2025 and was corrected in November 2025.
8. The errors affected certain automobile policies processed by Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon between November 13, 2023, and November 30, 2025, and affected more than 43,000 Texas policyholders.
9. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon estimate restitution with interest to the affected Texas policyholders is approximately \$2.6 million.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.051–801.053, 912.002, 912.101–912.152, and 2251.101; and TEX. GOV'T. CODE §§ 2001.051–2001.178.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.
3. The Allstate Companies have knowingly and voluntarily waived all procedural rights to which they may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

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4. Allstate County Mutual violated TEX. INS. CODE § 2251.101 and 28 TEX. ADMIN. CODE § 5.9334.
5. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon violated TEX. INS. CODE § 2251.101 by charging rates different than those on file with the department.
6. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct the Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon to make complete restitution to each policyholder impacted by the violation.

Order

It is ordered that Allstate County Mutual pay an administrative penalty of \$70,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

It is further ordered that Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon comply with the following:

- a. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must identify all personal automobile insurance policies that issued or renewed in Texas with effective dates from November 13, 2023, to November 30, 2025 (the Review Period) that were rated using an incorrect driving score.
- b. For each policy in the Review Period, Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must calculate the corrected premium using the correct driving score. If the premium charged is more than the corrected premium, the difference constitutes the "Overcharge."
- c. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must pay restitution in the form of a company check or account credit to each policyholder identified in the Review Period as having an Overcharge (the Qualifying Policyholders). The restitution check or account credit must include both the dollar amount of the overcharge plus simple interest due on the overcharge. The rate of interest is 5% per annum.

- d. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before June 30, 2027.
- e. Any restitution checks that are returned to Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon with an address correction must be promptly resent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the comptroller pursuant to the procedures and deadlines set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et. seq.*, and 74.001 *et. seq.*
- f. On or before August 15, 2027, Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must report the restitution paid to the Qualifying Policyholders by submitting a complete and sortable electronic spreadsheet to the department. The spreadsheet must contain the following information:
 - i. issuing company name;
 - ii. policy number;
 - iii. policyholder name;
 - iv. policyholder address;
 - v. effective date of the policy;
 - vi. expiration date of the policy;
 - vii. amount of Overcharge;
 - viii. dollar amount of simple interest;
 - ix. amount of Overcharge and interest;
 - x. date(s) of mailing of restitution check or credits;
 - xi. the total sum of all Overcharges;
 - xii. the total sum of all simple interest; and
 - xiii. the total sum of all restitution paid (total Overcharges plus the total of the simple interest).

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- g. Allstate Fire and Casualty, Allstate North American, Encompass, Esurance, and Integon must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

Signed by:

Amanda Crawford

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Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Mandy Meesey

Mandy Meesey, Associate Commissioner
Enforcement

Affidavit

STATE OF VIRGINIA §

§

COUNTY OF HAMPTON §

Before me, the undersigned authority, personally appeared Adam Tyner,
who being by me duly sworn, deposed as follows:

"My name is Adam Tyner. I am of sound mind, capable of making
this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Director of Insurance Product and am the authorized representative of
the Allstate Companies. Telematics I am duly authorized by said organization to execute this
statement.

The Allstate Companies have knowingly and voluntarily entered into the foregoing
consent order and agrees with and consents to the issuance and service of the same by
the commissioner of insurance of the State of Texas."

Adam Tyner

Affiant

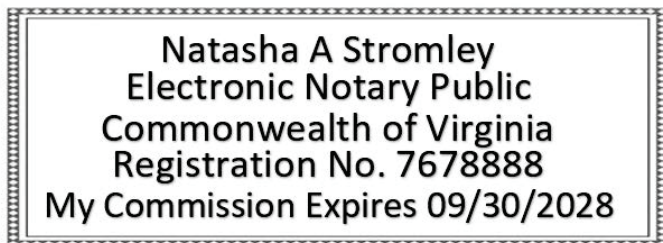
Commonwealth/State of Virginia

City/County of Hampton

SWORN TO AND SUBSCRIBED before me on September 29, 2026.

This notary act was performed by : physical presence or XX remote online notarization.

(NOTARY SEAL)



Natasha A Stromley

Signature of Notary Public

Natasha A Stromley

Printed Name of Notary Public

My Commission Expires: 09/30/2028

Commission #: 7678888

Remotely notarized online using two-way audio-video communication.