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NOTICE OF INTENT TO DISAPPROVE

July 21, 2014

CERTIFIED MAIL

Ms. Andi Colosi
Assistant State Filings Manager
Allstate Fire and Casualty Insurance Company
2775 Sanders Rd., A2W
Northbrook, IL 60062

RE: Allstate Fire and Casualty Insurance Company
PPA / Private Passenger Types (Autos Only)
OIR File Number: FCP 14-10244
Filing Received: 5/22/2014

PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING

Dear Ms. Colosi:

You are hereby notified that pursuant to the provisions of Section 627.0651, Florida Statutes, the Office has completed its review of the above-referenced filing.

The Office points out that it is the company's burden to demonstrate by its filing and any information contained in its filing, that the rate(s) and rate factor(s) being requested are not excessive, inadequate, or unfairly discriminatory. The company is required to submit all the information and data it wishes the Office to consider in support of its filing and such additional information as the Office requests.

Having reviewed the information submitted, the Office finds that this filing does not provide sufficient documentation or justification to demonstrate that the proposed rate(s) and rate factor(s) comply with the standards of the appropriate statute(s) and rule(s), including demonstrating that the proposed rate(s) are not excessive, inadequate, or unfairly discriminatory.

The deficiencies include but are not limited to:

1. Based on the company's updated rate indication of +18.2% and the Office indication of +19.7%, the proposed overall rate change of 0% is not supported and thus found to be inadequate under Section 627.0651, Florida Statutes.

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2. The proposed Annual Fixed Expense Fees for Personal Injury Protection and Collision coverage are below the 60% minimum required by Rule 69O-170.006, Florida Administrative Codes.
3. The change to the Early Signing Discounts from diminishing to perpetual is not supported by the loss experience and company has not sufficiently supported this change.
4. Company has not provided sufficient support on the Loss Model used in the derivation of the indicated premiums for the 100 millions+ micro-segments and CGR Groups.
5. Company has not provided adequate support on the Retention Model used in the derivation of the selected premiums for the 100 millions+ micro-segments and CGR Groups.
6. Based on the proposed rating plan for Micro-Segments and CGR, individual policyholder's premium is determined by his/her modeled reaction to rate changes and the desired to maximizing retention by the company in addition to the indicated change resulting in different rate change applied to different individuals within the same class is unfairly discriminatory in violation of Section 627.0651, F.S.

As a result of the deficiencies set forth above, the Office finds that this filing does not provide sufficient documentation or justification to demonstrate that the proposed rate(s) and rate factor(s) comply with the standards of the appropriate statute(s) and rule(s) and therefore, the Office intends to disapprove the above referenced filing.

You are of course free to make a new filing for our review that incorporates any additional information you believe justifies the rate requested.

Please be advised that this decision regarding this rate filing affects your company's substantial interests and that you are entitled to request a hearing pursuant to Chapter 120, Florida Statutes. The attached Notice of Rights outlines the procedures you must follow to preserve your right to a hearing and should be carefully reviewed. Failure to follow those procedures will waive your company's rights to a hearing.

Sincerely,

Office of Insurance Regulation

Attachment: Notice of Rights

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail, the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one will be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and contain:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for an administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.