

State of Rhode Island and Providence Plantations  
DEPARTMENT OF BUSINESS REGULATION  
*Insurance Division*  
1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920

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IN THE MATTER OF: :

Esurance Property and Casualty Insurance Company :

RESPONDENT. :

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CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and Esurance Property and Casualty Insurance Company (“Respondent”) as follows:

1. Respondent is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.

2. Insurance Regulation 230-RICR-20-05-3.6 (formerly known as Insurance Regulations 25) enumerates *Premium Surcharges* with respect to the timing of applicable premium surcharges on Rhode Island personal automobile insurance policies.

a. Section D states: “Any premium increases for a permitted purpose shall be instituted only at renewal of the policy. [...]”.

b. 230-RICR-20-05-3.3(A)(10) defines “renewal” and clarifies “[...] that any policy with a policy period or term of less than twelve (12) months shall for the purpose of this section be considered as if written for a policy period or term of twelve (12) months.”

3. As a result of a rate filing review, the Department determined that Respondent’s IT system used a six (6) month rating period instead of the required twelve (12) months anniversary

rating period, correlating with Respondent's six (6) month policies. As such, in November 2017 the Department contacted Respondent for additional information.

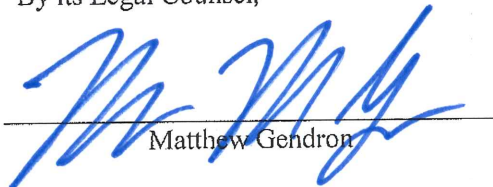
4. Respondent conducted a prompt and thorough investigation of the previous five years of policy files and determined that there were two hundred seventy-nine (279) policies that were surcharged out of compliance using a six (6) month renewal period instead of a twelve (12) month renewal period.

THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:


1. Of the two hundred seventy-nine (279) policies that were affected, Respondent issued two hundred seventy-nine (279) refunds, including interest, totaling \$223,963.40.
2. Respondent has taken steps to comply with the Insurance Regulation 230-RICR-20-05-3.6 and has initiated a manual process to track policies to prevent such errors in the future. Programming changes will take the place of the manual process in the second quarter of 2018.
3. Respondent will pay a fine of ten thousand dollars (\$10,000) within 30 days.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 13 day of March 2018.

Department of Business Regulation  
By its Legal Counsel,

  
Matthew Gendron

APRIL  
Esurance Property & Casualty Insurance  
Company  
By its President

  
Jonathan Adkisson