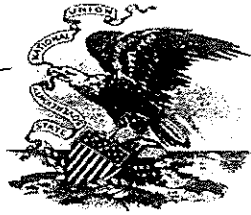


STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN RE THE PLANS OF DIVISION OF:

HEARING NO. 21-HR-0010

ALLSTATE INSURANCE COMPANY;
ALLSTATE INDEMNITY COMPANY;
ALLSTATE PROPERTY AND CASUALTY
INSURANCE COMPANY; ALLSTATE FIRE
AND CASUALTY INSURANCE
COMPANY; ENCOMPASS INDEMNITY
COMPANY; ENCOMPASS PROPERTY
AND CASUALTY COMPANY; ESURANCE
INSURANCE COMPANY; ESURANCE
PROPERTY AND CASUALTY
INSURANCE COMPANY,

Applicants

FINAL DECISION AND ORDER

The Plans of Division (the “Plans”) of eight (8) Illinois-domiciled insurers¹ (the “Dividing Companies” or the “Applicants”) and following the divisions, the “Surviving Companies” for (i) their respective divisions (the “Division” and collectively, the

1 The following Illinois subsidiaries of The Allstate Corporation are the Dividing Companies, and have issued automobile insurance policies in Michigan that are no longer in force but have active claims and are the subject of the Divisions and Mergers: (i) Allstate Insurance Company; (ii) Allstate Indemnity Company; (iii) Allstate Property and Casualty Insurance Company; (iv) Allstate Fire and Casualty Insurance Company; (v) Encompass Indemnity Company; (vi) Encompass Property & Casualty Company; (vii) Esurance Insurance Company; and (viii) Esurance Property and Casualty Insurance Company.

“Divisions”), pursuant to the Domestic Stock Company Division Law, Article IIB of the Illinois Insurance Code, 215 ILCS 5/35B-1 *et seq.*, and (ii) the subsequent mergers (the “Mergers”) of the eight (8) new insurance companies created in the Divisions (the “New Companies”)² into three (3) recently established insurance companies that will be the surviving companies in the Merger (the “Merger Companies”) operating in Michigan, pursuant to 215 ILCS 5/156 *et seq.* (the Merger Companies together with the Surviving Companies are the “Resulting Companies”) came before the Hon. Mary Anne Mason (Ret.), the Hearing Officer designated by the Director of Insurance (the “Director”) of the Illinois Department of Insurance (the “Department”) pursuant to 50 Ill. Admin. Code 2402.30, at a virtual public hearing, conducted pursuant to 215 ILCS 5/35B-25(a) and 50 Ill. Admin. Code 2402.80 and 2402.190, and at the request of the Applicants, on March 3, 2021, commencing at approximately 9 a.m. Central Standard Time.

The Hearing Officer has submitted Proposed Findings of Fact, Conclusions of Law and Recommendations dated March 5, 2021 (the “Proposed Findings and Recommendations”), which are fully incorporated herein by reference, and attached hereto as Exhibit A.

This is the final order and decision on applications made to the Department pursuant to 215 ILCS 5/35B-25(i) and 50 Ill. Admin. Code 2402.270.

The findings of fact and conclusions of law contained in the Proposed Findings and Recommendations appear well-reasoned and amply-supported by the competent evidence summarized therein.

ORDER

For the reasons set forth above, it is therefore ORDERED that the eight Plans are hereby APPROVED by the Director in the reasonable exercise of full regulatory discretion.

It is FURTHER ORDERED that the effectiveness of the Divisions is conditioned upon:

- i) Execution of the Plans according to their terms, conditions and covenants;
- ii) Receipt by the Department of all specified material and information;

2 The following New Companies will hold the Specified Policies following the Divisions and prior to the Mergers: Michigan AIC Auto Insurance Company, Michigan AI Auto Insurance Company, Michigan APC Auto Insurance Company, Michigan AFCIC Auto Insurance Company, Michigan EPC Auto Insurance Company, Michigan EI Auto Insurance Company, Michigan ESPC Auto Insurance Company, and Michigan ESIC Auto Insurance Company.

- iii) Receipt from the Michigan Department of Insurance and Financial Services, and provision to the Department of satisfactory evidence, of licenses to transact the business of insurance in Michigan; and
- iv) The Applicants signing a “Certificate of Division” setting forth, among other things, the date the Division is to be effective, which shall not be more than 90 days after the Dividing Company files the Certificate of Division with the recorder, with a concurrent copy to the Director.

This Order shall be considered final agency action for the purposes of 5 ILCS 100/10-50 and 50 Ill. Admin Code 2402.270. Any action challenging the Order shall comply with the requirements of 735 ILCS 5/3-101 *et seq.*

Any application for rehearing shall comply with the requirements of 50 Ill. Admin. Code 2402.280, and any appeal shall comply with applicable law.

SO ORDERED this 19th day of March 2021.



DEPARTMENT OF INSURANCE
of the State of Illinois

Dana Popish Severinghaus KF

DANA POPISH SEVERINGHAUS

Acting Director

Signed by Kevin Fry, POA