



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

SUBPOENA DUCES TECUM

To:

Allstate Insurance Company
% Chief Financial Officer
200 East Gaines Street
Tallahassee, Florida 32399-6502

At the instance of Kevin M. McCarty, Commissioner, Office of Insurance Regulation and pursuant to §§ 624.307, 624.321, and 624.324, Florida Statutes, the Office of Insurance Regulation ("Office") hereby issues this subpoena to Allstate Insurance Company ("Allstate"). Failure to comply with this subpoena may result in the initiation of enforcement proceedings pursuant to the Florida Insurance Code.

Accordingly, the Office commands the corporate representative(s) of Allstate ("you") to appear before the Office on January 15-16, 2008, at 9:30 a.m., at 401 Senate Office Building, The Capitol, Tallahassee, Florida 32399-1100, to testify and to have with you at that time and place the documents and records set forth in Attachment "A." Further, you should be prepared to testify as to the following areas: Allstate's Reinsurance Program, relationships to Risk Modeling Companies, Insurance Rating Organizations or Companies, and Insurance Trade Associations. Questions regarding compliance with this subpoena should be directed to Rhoda K. Johnson, Assistant General Counsel, at telephone number (850) 413-4252 or by e-mail at rhoda.johnson@fldfs.com.

YOU SHALL RESPOND to this subpoena as directed unless excused by the party who issued the subpoena or by Order of the Office of Insurance Regulation.

IN TESTIMONY WHEREOF, The Seal of the State of Florida is affixed hereto, and the undersigned, as designee pursuant to § 624.321, Florida Statutes, has hereunto set his hand at Tallahassee, Florida this 16th day of October 2007.





Steven H. Parton, General Counsel

I. GENERAL

A. DEFINITIONS

1. "Allstate" means Allstate Insurance Company, a foreign corporation.
2. "You," "Your," or "Your Company" shall mean Allstate Insurance Company.
3. "OIR" means the Florida Office of Insurance Regulation.
4. The terms "and" and "or" are terms of inclusion and not of exclusion and shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this subpoena any document or information that might otherwise be construed to be outside its scope.
5. The term "any" includes and encompasses "all" and vice versa.
6. "Relate" or "Relating to" means in whole or in part constituting, containing, concerning, discussing, commenting upon, describing, analyzing, identifying, stating, pertaining to, referring to, or forming the basis of.
7. "Person" includes any natural person, corporate entity, partnership, association, joint venture, government entity or trust, and any other business or legal entity.
8. "Communicate" or "Communication" means every manner or means of disclosure, transfer or exchange, and every disclosure, transfer or exchange of ideas or information, whether orally, by Document, or electronically, or whether face-to-face, by telephone, mail, personal delivery, electronic transmission or otherwise.
9. "Document" shall mean all written or graphic matter, however produced, or reproduced, of every kind and description in Your actual or constructive possession, custody, care or control, including without limitation, all writings, account letters, account

Attachment "A"

recommendations, books of accounts, CD-ROMs, charts, computer files, computer printouts, contracts, cost sheets, data compilation from which information can be obtained or can be translated through detection devices into reasonably usable form, diaries, drafts, drawings, e-mail, faxes, graphs, ledgers, magnetic discs, magnetic strips, magnetic tape, memoranda, microfiche, microfilm, minutes, notes, optical characters, papers, photographs, paper tapes, recognition characters, reports, sound tapes or recordings, statements, statistical records, stenographer notebooks, studies, telegraphs, video tapes or recordings, working papers, or any tangible thing.

10. "Reinsurer" means every Person engaged as indemnitor, surety, or contractor in the business of entering into agreements, contracts or treaties for reinsurance.

11. "Reinsurance Broker" shall mean brokers, intermediaries, and independent agents employed by Clients to advise them as to reinsurance products and coverage.

12. "Risk Modeling Company" includes any company offering technology, products, or services for the management of insurance catastrophe risks associated with man-made perils, weather, climate, and natural hazards such as earthquakes, hurricanes, and windstorms.

B. GENERAL INSTRUCTIONS

The response to this Demand shall be submitted in the following manner:

1. Documents provided shall be complete and un-redacted, submitted as found in the company's files (*e.g.*, documents that in their original condition were stapled, clipped or otherwise fastened together or maintained in separate file folders shall be produced in such form). You may submit photocopies (with color photocopies where

necessary to interpret the document), in lieu of original documents, provided that such copies are true, correct and complete copies of the original documents.

2. Number each box and mark each box with corporate identification and the name(s) of the person(s) whose files are contained in that box. Documents shall be submitted in sturdy cartons not larger than 1.5 cubic feet.

3. Documents submitted shall be produced in the order in which they appear in the company's files and shall not be shuffled or otherwise rearranged. Mark each page with corporate identification and consecutive document control numbers. For all documents not produced in electronic format, place all documents in file folders. Mark each file folder with corporate identification, the name of the person whose documents are in the folder and how the original file was labeled.

4. Documents produced electronically shall be non-encrypted and produced in TIF, Microsoft Word, Adobe Acrobat or ASCII text format. For documents produced electronically, You should include whenever possible a Document Image Information (DII) file.

5. Data maintained in a spreadsheet format shall be produced electronically in a spreadsheet file format compatible with Microsoft Excel Office 2000 version and the Microsoft Windows NT 4.0 (or 2000) operating system.

6. For any database(s) into which any information related to any Entity was added, amended or integrated, provide documents sufficient to name the database, describe the database and categorize and define the data. This request does not require that You produce the database itself. It includes, but is not limited to:

- (a) The schema or record layouts of every file or database table as it is maintained;
- (b) Any data dictionary or other document defining or describing the fields or other terms used in the schema or record layouts; and
- (c) Any listing, description and exemplar of pre-defined or "canned" reports associated with the database(s) or database tables.

7. For purposes of this section the term "database" means a collection of information organized in such a way that a computer program can select desired pieces of data. The term includes, without limitation, collections of electronic data organized by fields, records and files.

8. Whenever available, electronic mail shall be produced in its native format such as a PST or NSF data file.

9. Each disk, DVD or CD shall include an index of the information contained on the disk, DVD or CD.

II. PRODUCTION OF DOCUMENTS

A. INSTRUCTIONS

1. This Demand for production of Documents calls for the production of all responsive Documents in Your possession, custody, or control without regard to the physical location of said Documents. This Demand for production of Documents is a continuing request.

2. The Documents produced shall be segregated according to, and enclosed in file folders or boxes marked so as to clearly identify, the particular paragraph (or subparagraph or category within a paragraph or subparagraph, if applicable) of this

Document request in response to which they are being produced. Within the response to a given paragraph, subparagraph, or category, Documents shall be organized and identified according to the files in which they were kept, identifying the Persons for whom the files were kept and the place where the files were kept.

3. If You possess no Documents responsive to a paragraph of these Document requests, state this fact, specifying the paragraph concerned, in Your response. In the event that You should withhold any Document under claim of any constitutional or other legal right or privilege, please state the following as to each such Document:

(a) The name of each author, writer, sender, or initiator of such Document or thing, if any;

(b) The name of each recipient, addressee, or party for whom such Document was intended, if any;

(c) The date of such Document, if any, or an estimate thereof and so indicated as an estimate if no date appears on said Document;

(d) The general subject matter of the Document;

(e) The claimed constitutional or other legal right or privilege You contend applies with respect to the Document (e.g., "work product").

B. DOCUMENT REQUESTS

1. Produce a list of all Florida policyholders who were sent non-renewal or cancellation letters on or after October 1, 2005, pursuant to Your decision to reduce Allstate's hurricane exposure in Florida. Indicate the policyholder's name, policy number, and the date the notification of non-renewal or cancellation was issued.

2. Produce any and all Documents and Communications created by You that explain, describe, or refer to Your decision to non-renew or cancel the policies identified in response to paragraph II. B. 1.; above.

3. Produce any and all Documents and Communications that evaluate, discuss, analyze, or otherwise refer or relate in any way to Your non-renewal or cancellation of the policies identified in response to paragraph II. B.1., above.

4. For the time period 2002 to the present, produce any and all Documents and Communications that explain, describe, or refer to the risk criteria used by You to determine the eligibility of insureds for Homeowner's Multi-peril Coverage in the state of Florida.

5. For the time period 2002 to the present, produce any and all Documents and Communications that explain, describe, or refer to the factors used in Your underwriting guidelines to determine the eligibility of insureds for Homeowner's Multi-peril Coverage in the state of Florida .

6. For the time period 2002 to the present, produce any and all Documents and Communications that explain, describe, or refer to the risk criteria used by You to determine the eligibility of insureds for Commercial Property Non-residential Coverage in the state of Florida.

7. For the time period 2002 to the present, produce any and all Documents and Communications that explain, describe, or refer to the factors used in Your underwriting guidelines to determine the eligibility of insureds for Commercial Property Non-residential Coverage in the state of Florida.

8. For the time period 2002 to the present, produce any and all instructions, guidelines (official or unofficial), and training materials relating to Your underwriting practices in the state of Florida.

9. For the time period 2002 to the present, produce any and all internal and external Documents and Communications that evaluate, discuss, analyze, or otherwise refer or relate in any way to Your non-renewal or cancellation of homeowner's insurance policies in the state of Florida.

10. For the time period 2002 to the present, produce any and all Documents and Communications between You and OIR that relate in any way to Your non-renewal or cancellation of homeowner's insurance policies in the state of Florida.

11. For the time period 2002 to the present, produce any and all Documents and Communications that evaluate, discuss, analyze, or explain Your decision to non-renew or cancel homeowner's insurance policies in the state of Florida.

12. For the time period 2002 to the present, produce any and all Documents and Communications between You and Your agents that relate to the non-renewal or cancellation of homeowner's insurance policies in the state of Florida.

13. For the time period 2002 to the present, produce any and all Documents and Communications from You to Your agents that evaluate, discuss, analyze, or otherwise refer or relate in any way to the non-renewal or cancellation of homeowner's insurance policies in the state of Florida.

14. For the time period 2002 to the present, produce any and all internal and external Documents or Communications that advise, recommend, evaluate, discuss,

analyze, or otherwise refer or relate in any way to Your non-renewal or cancellation of policies in the state of Florida.

15. For the time period 2002 to the present, produce any and all Documents and Communications between You and Your affiliates or subsidiaries that evaluate, discuss, analyze, or otherwise refer or relate in any way to Your decision to renew Florida policyholders with more than one line of service.

16. For the time period 2002 to the present, produce any and all Documents and Communications between You and Your affiliates or subsidiaries that evaluate, discuss, analyze, or explain discounts offered or provided to Florida policyholders with more than one line of service.

17. For the time period 2002 to the present, produce any and all Documents and Communications between You and Your affiliates or subsidiaries that evaluate, discuss, analyze, or otherwise refer or relate to the eligibility for discounts for Your Florida policyholders with more than one line of service.

18. For the time period 2002 to the present, produce any and all Documents and Communications between You and Your affiliates or subsidiaries that evaluate, discuss, analyze, or otherwise refer or relate in any way to the marketing, advertising, or distribution plan for discounts to Your Florida policyholders with more than one line of service.

19. For the time period 2002 to the present, produce any and all Documents and Communications between You and the agents for Your affiliates or subsidiaries that advise, recommend, evaluate, discuss, analyze, or otherwise refer or relate in any way to

the marketing, advertising, or distribution of discounts to Your Florida policyholders with more than one line of service.

20. Produce sample copies of each template used for any and all letters issued by You to Florida consumers regarding discounts for policyholders with more than one line of service.

21. Produce a list of Florida consumers, including their names and addresses, who were sent the letters referred to in paragraph II. B. 20.

22. Produce a list of Florida consumers, including their names and addresses, who responded to the letters referred to in II. B. 21.

23. For the time period 2004 to the present, identify each Person with whom You entered into a Reinsurance agreement, contract, treaty, or similar agreement for Reinsurance coverage of personal lines in the state of Florida.

24. For each Person identified in paragraph II. B. 23., produce any and all agreements, contracts, treaties, or other similar agreements for Reinsurance coverage of personal lines.

25. For each Person identified in paragraph II. B. 23., produce any and all Documents and Communications relating to the agreements, contracts, treaties, or other similar agreements for Reinsurance coverage of personal lines.

26. For the time period 2004 to the present, produce a list of the names, titles, and addresses of Your employees who are primarily responsible for the negotiation, analysis, and management of the Reinsurance agreements, contracts, treaties, or other similar Documents identified in response to paragraph II. B. 23.

27. For the time period 2004 to the present, produce any and all Documents and Communications related to Your Reinsurance program for personal lines, including, but not limited to, the following:

- a. Any and all Documents and Communications related to the criteria used by You to select Reinsurance coverage.
- b. Any and all Documents and Communications related to Your Reinsurance acquisition costs.
- c. Any and all Documents and Communications related to the negotiation of the amount of Your Reinsurance premiums.
- d. Any and all Documents and Communications related to negotiating and setting Your retention amount(s).
- e. Any and all Documents and Communications related to the profitability of Your Florida business.
- f. Any and all Documents and Communications related to the monitoring of Your catastrophic loss exposure by geographical zone.

28. For the time period 2004 to the present, produce any and all Documents and Communications either from or to Insurance Trade Associations including, but not limited to, The Florida Insurance Council, Inc., The American Insurance Association, Property Casualty Insurers Association of America, National Association of Mutual Insurance Companies, and the Insurance Information Institute.

29. For the time period 2004 to the present, produce any and all internal Documents and Communications relating to Insurance Trade Associations including, but not limited to, The Florida Insurance Council, Inc., The American Insurance Association,

Property Casualty Insurers Association of America, National Association of Mutual Insurance Companies, and the Insurance Information Institute.

30. For the time period 2004 to the present, produce any and all Documents and Communications either from or to Insurance Rating Organizations or Companies including, but not limited to, A. M. Best Company, Inc., Fitch Credit Rating Company, Moody's Investors Service and Standard and Poor's Rating Group.

31. For the time period 2004 to the present, produce any and all internal Documents and Communications relating to Insurance Rating Organizations or Companies including, but not limited to, A. M. Best Company, Inc., Fitch Credit Rating Company, Moody's Investors Service and Standard and Poor's Rating Group.

32. For the time period 2004 to the present, produce a list of the names and addresses of all Reinsurers and Reinsurance Brokers that You communicated with regarding Reinsurance coverage for your Florida business.

33. For the time period 2004 to the present, produce any and all Documents and Communications either from or to the Reinsurers and Reinsurance Brokers identified in II. B. 32.

34. For the time period 2004 to the present, produce any and all internal Documents and Communications relating to Reinsurers and Reinsurance Brokers.

35. For the time period 2004 to the present, produce any and all Documents and Communications either from or to Risk Modeling Companies including, but not limited to, AIR Worldwide Corporation, Applied Research Associates, Inc., and Risk Management Solutions, Inc.

36. For the time period 2004 to the present, produce any and all internal Documents and Communications relating to Risk Modeling Companies including, but not limited to, AIR Worldwide Corporation, Applied Research Associates, Inc., and Risk Management Solutions, Inc.

37. For the time period 2006 to the present, produce any and all internal and external Documents and Communications relating to special sessions of the Florida Legislature that were called to address the Florida Property Market, including Session 2007A.

38. For the time period 2006 to the present, produce any and all internal and external Documents and Communications relating to Florida House Bill 1-A.

39. For the time period 1995 to the present, produce any and all internal and external Documents and Communications that describe, explain, or relate to Your claims valuation procedures and formulas utilized in assessing and adjusting commercial, personal property and automobile insurance claims.

40. For the time period 1995 to the present, produce any and all Documents and Communications to or from consulting or outside firms that have advised or are currently advising Allstate on property claims handling valuation procedures or programs.

41. For the time period 1995 to the present, produce a list by name, address and dates of engagement of each person or entity that has advised or is currently advising Allstate on insurance claims handling valuation procedures or programs.

42. Produce any and all contracts or agreements with the individuals and entities identified in paragraph II. B. 39., above.

43. For the time period 1995 to the present, produce any and all internal and external Documents and Communications that describe, explain, or relate to computer programs or systems that are or were used by Allstate in the claims valuation process.

44. Produce any and all Documents and Communications created by You describe, explain, or relate to the services provided to Allstate by McKinsey and Co., a New York based consulting firm.

45. For the time period 1995 to the present, produce any and all Documents and Communications submitted to You by McKinsey and Co.

46. For the time period 1995 to the present, produce any and all Documents and Communications between You and the agents and adjusters for Allstate relating to the claims valuation advice Allstate received from McKinsey and Co.

47. Produce any and all Documents and Communications from Allstate to the agents and adjusters for Allstate or its affiliates that evaluate, discuss, analyze, or otherwise refer or relate in any way to the fairness, accuracy and validity of Allstate's insurance claims valuation processes.

48. Produce any and all internal and external Documents and Communications created by You that describe, explain, or relate to the Xactimate and Colossus software claims programs or any successors or revised editions of those programs utilized by Allstate.

49. Produce any and all Documents and Communications between Allstate and its affiliates that evaluate, discuss, analyze, or otherwise refer or relate in any way to the decision to implement the programs processes and procedures developed by McKinsey and Co.

50. Produce any and all internal and external Documents and Communications that criticize or question the validity or fairness of the claims valuation process or programs used by Allstate.

51. For the time period 2004 to the present, produce copies of any judgments, whether or not they were later vacated, where it was found that Allstate had engaged in the bad faith settlement of an insurance claim(s).

52. Produce any and all internal and external Documents and Communications related to a lawsuit filed in Kentucky by attorney Dale Golden alleging bad faith in the handling of a 1997 auto accident on behalf of a Richmond, Kentucky woman.

53. Produce any and all internal and external Documents and Communications related to the Advanced Claims Excellence program.

54. Produce any and all internal and external Documents and Communications related to the Claim Core Process Redesign program.

55. Produce any and all internal and external Documents and Communications associated with the accusations by JoAnn Katzman, a former claims adjuster for Allstate in 2002 and 2003 as to Allstate's claims handling processes.

56. Produce any and all internal and external Documents and Communications related to the accusations made by Shannon Kmatz, a former Allstate claims adjuster concerning the claims adjustment practices of Allstate.

57. Produce any and all Power Point presentations prepared by McKinsey & Co.

58. Produce any and all internal and external Documents and Communications related to the "Zero-Sum Economic Game" program.

59. Produce a copy of any lawsuit(s) filed in any state or federal court in Florida that alleged Allstate engaged in bad faith claims settlement practices.