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**FOR IMMEDIATE RELEASE**

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### **Esurance Fined \$147,000 for Market Conduct Violations**

DORA's Colorado Division of Insurance has completed a market conduct examination of Esurance, a licensed and Colorado-regulated insurance company based in California. Esurance offers private passenger automobile liability and physical damage insurance.

The monetary penalty Esurance must pay for these violations is \$147,000, plus a \$7,500 surcharge which goes to the DORA outreach fund toward consumer education.

“Our market conduct examiners found violations which affect Colorado consumers,” said Colorado Insurance Commissioner Marcy Morrison. “Consumers need to know what their options are so they can make informed insurance choices.”

Issues addressed in the examination report are related to the required notice to consumers of their right to protest certain actions, including a premium increase, nonrenewal, or cancellation of their policy. These issues include:

- Failure to offer to exclude a specific driver and to disclose the modified premium that would result from this exclusion. (Excluding a high-risk driver can prevent a premium increase, nonrenewal or cancellation of the household policy.)
- Failure to provide the reason for one of these specific actions.
- Missing information on the premium increase notices, including notice requirements for both the Fair Credit Reporting Act and the policyholder's right to replace the insurance through an assigned risk plan.

The “failure to offer to exclude a specific driver” violation relates to Colorado law which allows policyholders to exclude a member of the household from an automobile coverage insurance policy. The insurance company must notify their policyholder when the driving history or other risk factor for one household member prompts a higher rating for the entire household policy. The owner of the policy must be informed of the option of paying a lower insurance premium if driver who is considered high risk due to driving history or other factor is excluded from driving under the policy.

The Final Agency Order (FAO) and Market Conduct Exam can be found on the Division of Insurance website at: <http://www.dora.state.co.us/insurance/mcexam/MarketRegChron.htm>

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*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*