



1 **CMPL**
2 ROBERT T. EGLET, ESQ.
3 Nevada Bar No. 3402
4 CASSANDRA S.M. CUMMINGS, ESQ.
5 Nevada Bar No. 11944
6 **EGLET ADAMS**
7 400 S. Seventh St., Suite 400
8 Las Vegas, NV 89101
9 (702) 450-5400; Fax: (702) 450-5451
10 eservice@egletlaw.com

CASE NO: A-21-829912-B
Department 11

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
MATTHEW L. SHARP, ESQ.
Nevada Bar No. 4746
MATTHEW L. SHARP, LTD.
432 Ridge Street
Reno, NV 89501
(775) 324-1500; Fax: (775) 284-0675
Attorneys for Plaintiff

DISTRICT COURT
CLARK COUNTY, NEVADA

ERIKA SMITH, individually and on behalf of all
those similarly situated,

Case No.:
Dept. No.:

Plaintiff,

vs.

COMPLAINT

**REQUEST FOR BUSINESS
COURT**

ALLSTATE FIRE AND CASUALTY
INSURANCE COMPANY, ALLSTATE
INDEMNITY COMPANY, ALLSTATE
INSURANCE COMPANY, ALLSTATE
NORTHBROOK INDEMNITY COMPANY,
ALLSTATE PROPERTY AND CASUALTY
INSURANCE COMPANY, ALLSTATE
VEHICLE AND PROPERTY INSURANCE
COMPANY, DOES 1 through 10,
Defendants.

**EXEMPT FROM
ARBITRATION**

Jury Trial Demanded

Plaintiff, Erika Smith, by and through undersigned counsel and on behalf of herself and
all other similarly situated, hereby submits this Class Action Complaint against Defendants,

EGLET ADAMS

1 Allstate Fire and Casualty Insurance Company, Allstate Indemnity Company, Allstate Insurance
2 Company, Allstate Northbrook Indemnity Company, Allstate Property and Casualty Insurance
3 Company, Allstate Vehicle and Property Insurance Company (hereinafter collectively
4 “Allstate”), and DOES 1 through 10.

5
6 **I. INTRODUCTION**

7 1. This action seeks class-wide relief for Defendant Allstate’s failure to provide and charge
8 a fair and appropriate insurance premium and to provide premium reduction to its Nevada
9 automobile insurance policyholders amid the COVID-19 pandemic.

10 2. Plaintiff brings this action on behalf of herself and on behalf of all Nevada residents who
11 held automobile insurance policies through Allstate as of March 1, 2020, and who have thereafter
12 continued to be Allstate automobile policyholders.

13 3. Plaintiff and the class, along with everyone in this country, have faced substantial life
14 changes since March 1, 2020 because of the COVID-19 pandemic, including reduced driving
15 time and miles. The reduction of driving time and miles driven reduces the risk associated with
16 insuring Plaintiff and the class members’ vehicles. Allstate has not taken the appropriate action
17 to reduce Plaintiff and the class members’ premiums to accurately reflect the decreased risk.

18 **II. PARTIES**

19 4. Plaintiff, Erika Smith, is a resident of the State of Nevada, and a current automobile
20 insurance policyholder of Allstate.

21 5. Defendants Allstate Fire and Casualty Insurance Company, Allstate Indemnity Company,
22 Allstate Insurance Company, Allstate Northbrook Indemnity Company, Allstate Property and
23 Casualty Insurance Company, Allstate Vehicle and Property Insurance Company (hereinafter
24 collectively “Allstate”), are Illinois companies with offices located within Northbrook, Illinois
25 and South Barrington, Illinois.

26 6. Collectively, Defendants are all part of the Allstate family of companies, licensed in
27 Nevada to sell automobile insurance policies within the State of Nevada.

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

7. Defendants DOE 1 through 10 are insurance companies that fall within the Allstate umbrella that provide policies of automobile insurance to Nevada residents.

8. That the true names and capacities, whether individual, corporate, associate, or otherwise, of the Defendants herein designated as DOE are unknown to Plaintiff at this time, and we therefore sue said Defendants by fictitious names. Plaintiff alleges that each named Defendant herein designated as DOE is negligently, willfully, contractually, or otherwise legally responsible for the events and happenings herein referred to and proximately caused damages to Plaintiff as herein alleged. Plaintiff will seek leave of Court to amend this Complaint to insert the true names and capacities of such Defendants when same have been ascertained and will further seek leave to join said Defendant in these proceedings. Plaintiff believes each Defendant named as DOE was responsible for contributing to Plaintiff’s damages as set forth herein.

III. JURISDICTION AND VENUE

9. That exercise of jurisdiction by this Court over each and every Defendant in this action is appropriate because each and every Defendant has done, and continues to do business in the State of Nevada, and contracted with Nevada residents, breached contracts with Nevada residents, and violated Nevada laws.

10. Allstate is an insurance company licensed to do business in Nevada, and it sells automobile insurance to Nevada residents and charges and collects premiums from those residents.

11. Allstate sold a Nevada insurance policy to Plaintiff where she resides in Clark County, Nevada.

12. That exercise of jurisdiction by this Court is further appropriate where Plaintiff resides in the County of Clark, State of Nevada.

13. That this Court has jurisdiction over the subject matter of this action. That exercise of the jurisdiction by this Court over Allstate in this action is appropriate because Allstate has done, and continues to do, business in the State of Nevada, and committed the wrongdoings alleged in this Complaint in the State of Nevada. Additionally, this Court has jurisdiction over the claims alleged

1 herein as they arise out of contracts entered into with Nevada residents and Allstate’s actions
2 violate Nevada law.

3 **IV. FACTUAL BACKGROUND APPLICABLE TO THE PROPOSED CLASS**

4 14. Allstate is a prolific underwriter of automobile insurance in Nevada.

5 15. On information and belief, and throughout the entirety of the COVID-19 pandemic,
6 Allstate has enjoyed a substantial share of the auto insurance market in Nevada. At all times
7 relevant to this case, Allstate has derived substantial revenues and profits from the sale of
8 automobile insurance to Nevada residents, including Plaintiff, and all others similarly situated.
9

10 **V. GENERAL ALLEGATIONS**

11 16. Coronavirus disease 2019 (“COVID-19”), is a novel, virus-borne, and potentially deadly
12 illness that impacts various systems within the body of those infected with the disease. Since its
13 emergence in late 2019, it has spread rapidly across the globe, reaching pandemic levels. On
14 January 20, 2020, it was declared a “public health emergency of international concerns” by the
15 World Health Organization. A week later, the U.S. Secretary of Health and Human Services
16 declared the virus a public health emergency in the United States.

17 17. COVID-19 is highly contagious and appears capable of spreading exponentially through
18 transmission by persons who are symptomatic, asymptomatic, or pre-symptomatic.

19 18. As of the date of this complaint, the U.S. Centers for Disease Control and Prevention has
20 recorded over 28 million cases of COVID-19, and over 497,000 COVID-related deaths in the
21 U.S. alone.

22 19. The State of Nevada suffered over 4,700 COVID-related deaths as of the date of this
23 Complaint.¹

24 20. On March 12, 2020, Nevada Governor Steve Sisolak issued the Declaration of Emergency
25 for COVID-19.² In that declaration, the Governor “determined that the State of Nevada is
26

27 ¹ <https://nvhealthresponse.nv.gov/> (last visited February 22, 2021).

28 ² https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-12_-_COVID-19_Declaration_of_Emergency/ (last
visited February 22, 2021).

1 experiencing events that require a coordinated response for the health and safety of the public.”³

2 The declaration “will remain in effect until the Chief Medical Officer notifies the Governor that
 3 the health event has been abated and the Governor issues an order terminating the emergency.”⁴

4 21. On March 15, 2020, Governor Sisolak issued the COVID-19 Declaration of Emergency
 5 Directive 001 closing all “public, community, and private K-12 schools in the state” until the
 6 Order is rescinded.⁵

7 22. On March 19, 2020, Governor Sisolak issued COVID-19 Declaration of Emergency
 8 Directive 002 closing all in-person gaming establishments.⁶

9 23. On March 20, 2020, Governor Sisolak issued COVID-19 Declaration of Emergency
 10 Directive 003 closing all “non-essential businesses” that promote social gatherings and prolonged
 11 interactions between individuals where risk of transmission is high.⁷ These businesses included
 12 recreation centers, clubhouses, nightclubs, movie theaters, massage parlors, adult entertainment
 13 establishments, brothels, live entertainment venues, gyms and studios, and aesthetic services (i.e.
 14 beauty shops, tanning salons, wax salons).⁸

15 24. On March 24, 2020, Governor Sisolak issued COVID-19 Declaration of Emergency
 16 Directive 007, which stated that “[t]he Nevada general public shall not gather in groups of ten or
 17 more in any indoor or outdoor area,” and directing local governments to limit the general public’s
 18 use of “recreational equipment, including, without limitation, playground equipment, basketball
 19 courts, volleyball courts, baseball fields, beaches, or football fields, in a manner that causes the
 20 congregation of ten or more persons.”⁹

23 ³ *Id.*

24 ⁴ *Id.*

25 ⁵ [https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-15 - COVID-19 Declaration of Emergency Directive 001/](https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-15_-_COVID-19_Declaration_of_Emergency_Directive_001/) (last visited January 28, 2021).

26 ⁶ [https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-18 - COVID-19 Declaration of Emergency Directive 002/](https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-18_-_COVID-19_Declaration_of_Emergency_Directive_002/) (last visited January 28, 2021).

27 ⁷ [https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-20 - COVID-19 Declaration of Emergency Directive 003 \(Attachments\)/](https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-20_-_COVID-19_Declaration_of_Emergency_Directive_003_(Attachments)/) (last visited January 28, 2021).

28 ⁸ *Id.*

⁹ [https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-24 - COVID-19 Declaration of Emergency Directive 007 \(Attachments\)/](https://gov.nv.gov/News/Emergency_Orders/2020/2020-03-24_-_COVID-19_Declaration_of_Emergency_Directive_007_(Attachments)/) (last visited January 28, 2021).

1 25. On November 10, 2020, Governor Sisolak once again urged all Nevadans to restrict their
2 activities outside the home to only those essential activities for two (2) weeks, dubbed “Stay at
3 Home 2.0.” This request is a direct result of the rising numbers of COVID-19 infections within
4 the State. The Governor warned that, if the infection numbers do not decrease, the State will likely
5 be subject to another mandatory shut-down.

6 26. The practical effect of the COVID-19 crisis and the State of Nevada’s response thereto
7 has been to dramatically reduce the vehicle traffic on Nevada’s roads. With non-essential
8 businesses and schools closed as well as the limitation on the size of gatherings and people forced
9 to remain at home due to the public health crisis, Nevada residents have been driving less
10 frequently and shorter distances.

11 27. Vehicular traffic throughout Nevada has been greatly reduced during the COVID-19
12 pandemic. For example, in April 2020, the vehicular traffic at the Nevada-California border was
13 sixty-six percent (66%) lower than it was in April 2019. Traffic volumes decreased between sixty
14 percent (60%) to seventy percent (70%) compared to the same time periods in 2019. These
15 reductions have been statewide.

16 28. With fewer people driving fewer miles, there are fewer automobile accidents and,
17 therefore, fewer automobile insurance claims. The COVID-19 pandemic has thus led to a
18 dramatic reduction in automobile insurance claims by Nevada residents. For example, there was
19 a sixty percent (60%) reduction in automobile accidents in Southern Nevada in March 2020 from
20 the prior year. This significant drop in driving, collisions, and automobile insurance claims during
21 the pandemic will almost certainly continue for the foreseeable future, and for as long as the
22 COVID-19 crisis continues.

23 29. In particular, the COVID-19 pandemic has led to a dramatic reduction in the number of
24 Nevada automobile insurance claims that have been submitted and will be submitted to Allstate.

25 30. Insurance companies have provided varying forms of premium refunds or credits during
26 the COVID-19 pandemic ranging from nothing at all to the 35% CHUBB provided to its insureds.
27 These refunds or credits are arbitrary and inconsistent in amount and duration. In fact, the only
28 consistency among the refunds or credits is that they are arbitrary and capricious, as well as

1 insufficient to provide fair, actual, and meaningful relief to the insureds as illustrated in the
 2 following table:

3 Insurance Company	Quantity	Duration
4 Acuity	\$50 - \$100 one time refund (amount depends on the number of insured vehicles)	One time
5 Allstate	15% discount	2 months (April & May 2020)
6 Farmers Insurance	25% credit for 1 month and 15% for 1 month	2 months (April & May 2020)
7 Geico	15% credit	For an entire policy, but ONLY upon insurance renewal between April 8 – Oct 7, 2020.
8 Liberty Mutual	15% refund	2 months (April & May 2020)
9 Nationwide	\$50	One time
10 Progressive	20% credit	2 months (April & May 2020)
11 State Farm	25% credit	3 months (March – May 2020)
12 Travelers	15% credit	3 months (April - June 2020)
13 USAA	20% credit for 3 months then reduced to a 10% credit for 2 months	5 months (March – July 2020)

14 Though each insurance provider represented to its insureds that it understood the challenges
 15 individuals are facing during the COVID-19 pandemic and presented that fair refunds and credits
 16 were being issued, yet, none of them offered any meaningful relief that actually reflects the
 17 reduction in cars on the road and reduced driving during the pandemic.

18 **A. Allstate’s Wrongdoing**

19 31. Personal insurance rates are set to cover future expected claims and expenses. Auto
 20 insurers, including the Defendant Allstate, develop such rates by extrapolating from recent
 21 historical experience with premium payments, claims submitted, claim settlement expenses, and
 22 non-claim selling and administrative expenses, and then projecting future claims and costs from
 23 that data.

1 32. Under Nevada law, Defendant Allstate may not charge an insurance premium that is
2 excessive.

3 33. A premium is based, in part, upon what Defendant Allstate anticipates for future claims
4 payments both in severity and frequency, and premiums are calculated based upon the extent of
5 the insured’s normal driving routine.

6 34. As a result of COVID-19 restrictions, the frequency and severity of claims incurred by
7 Allstate were dramatically reduced and significantly less than what was anticipated when the
8 premium was charged.

9 35. As a result of COVID-19 restrictions, Allstate insureds drove significantly less than what
10 was anticipated by Allstate when it developed the premium. As an example, Plaintiff’s driving
11 time and mileage has been, and continues to be, greatly reduced because of the COVID-19
12 pandemic.

13 36. As a result of COVID-19 restrictions, Allstate has and will incur significantly less
14 expenses in claim payments than what was anticipated when the premium was charged.

15 37. As a result of COVID-19 restrictions, Allstate has charged and collected an excessive
16 premium to its insureds in the past and into the future.

17 38. Allstate is aware that it cannot charge an excessive premiums, and it has an affirmative
18 duty under law to return any excessive premiums that was collected.

19 39. Many auto insurers have provided what the industry refers as “premium relief” to their
20 policyholders, but the so-called “relief” is actually designed to allow insurers to retain excessive
21 premiums in light of COVID-19 restrictions.

22 40. Allstate knows that the premiums it charged and collected following COVID-19
23 restrictions is grossly excessive.

24 41. Specifically, in statements posted on its website (and still shown on the website as of the
25 filing of this Complaint), Allstate provided a premium credit of fifteen percent (15%) for the
26 months of April and May 2020.

27
28

1 42. This premium credit is inadequate such that even if the credit is applied to Plaintiff and
 2 those similarly situated, the Plaintiff has paid and will continue to pay a grossly excessive
 3 premium.

4 43. This premium credit is designed to allow Allstate to retain a grossly excessive premium
 5 and to continue charging a grossly excessive premium into the future.

6 44. On February 22, 2021, Allstate announced that it was raising its dividends by 50%, which
 7 will be payable to its shareholders as of April 1, 2021.¹⁰ This raise in Allstate’s dividends was
 8 made possible, in large part, by Allstate’s increased 2020 car insurance profits. Allstate enjoyed
 9 such profits at the expense of its insureds who paid excessive premiums in the midst of the
 10 COVID-19 pandemic.

11 45. Allstate has and will continue to receive a windfall as a result of, the COVID-19
 12 pandemic.

13 46. Allstate, has continued to retain the excessive premium Plaintiff, and those similarly
 14 situated, have paid and will pay into the future.

VI. CLASS ACTION ALLEGATIONS

16 47. Erika Smith brings this action on behalf of herself and all others similarly situated, as
 17 representatives of the following proposed class: All Nevada residents who were automobile
 18 insurance policyholders of Defendant Allstate as of March 1, 2020, and who have thereafter
 19 continued to be Allstate automobile insurance policyholders.

20 48. Numerosity: Upon information and belief, Plaintiff alleges that the total number of Class
 21 members is dispersed across the State of Nevada. Consequently, joinder of the individual Class
 22 members would be impracticable. While the exact number of Class members is unknown to
 23 Plaintiff at this time, and can only be ascertained through appropriate discovery, Plaintiff believes
 24 that there are thousands of members in the proposed Class such that the disposition of the
 25

27 ¹⁰ See Allstate boosts dividend by 50%, to yield more than double the S&P 500, Tomi Kilgore, (February 22, 2021)
 28 (available at <https://finance.yahoo.com/m/4e5c5fe5-a7fb-329b-b436-92466fb3249d/allstate-boosts-dividend-by.html>, last accessed February 22, 2021).

1 individual claims of the respective Class members through this Class action will benefit both the
 2 parties and this Court, and will facilitate judicial economy.

3 49. Ascertainability: The Class is ascertainable because, on information and belief, each Class
 4 member who holds a policy for automobile insurance through Allstate that was active as of March
 5 1, 2020, is kept and stored in Allstate’s electronic database and records.

6 50. Typicality: Plaintiff’s claims are typical of the members of the Class. The claims of
 7 Plaintiff and the members of the Class are based on the same legal theories and arise from the
 8 same conduct. As such, the claims of the Plaintiff and the Class rise and fall together and are
 9 typical of one another.

10 51. Common Questions of Fact and Law Predominate: Judicial determination of the common
 11 legal and factual issues essential to this case would be far more efficient and economical as a class
 12 action than in piecemeal individual determinations. There is no plain, speedy, or adequate remedy
 13 other than by maintenance of this lawsuit as a class action because individual actions for premium
 14 refunds are relatively small, making it economically infeasible for Class Members to pursue
 15 remedies individually. The prosecution of separate actions by individual Members of the Class,
 16 even if theoretically possible, would create a risk of inconsistent or varying adjudications with
 17 respect to the individual Class Members against Defendants and would establish incompatible
 18 standards of conduct for the Defendants. There are several questions of law or fact common to
 19 all Class members including, but not limited to:

- 20 a. Whether each member of the proposed class was a policyholder under an existing
- 21 Allstate automobile insurance policy as of March 1, 2020, and has since continued
- 22 to be a Allstate policyholder;
- 23 b. Whether Allstate has charged each member an excessive premium following
- 24 COVID-19 restrictions;
- 25 c. Whether each member of the proposed class has been offered or provided with the
- 26 inadequate premium reduction described in paragraph 41 above;
- 27
- 28

- 1 d. Whether the fairness and/or reasonableness of Allstate’s program of premium
- 2 reduction, as described above, is governed by the terms of its automobile policies
- 3 and Nevada law;
- 4 e. Whether Allstate’s offer or provision of premium reduction, as described in
- 5 paragraph 41 above, constitutes an unfair or deceptive act or practice;
- 6 f. Whether Allstate implemented its offer of premium reduction, as described in
- 7 paragraph 41 above, with the expectation that others would rely upon any
- 8 misrepresentation, or any concealment or omission of material fact, subsumed
- 9 within such offer;
- 10 g. Whether Allstate’s program of premium reduction, as described in paragraph 41
- 11 above, is unfair and/or unreasonable;
- 12 h. Whether Allstate’s program of premium reduction, as described in paragraph 41
- 13 above, constitutes a breach of the implied covenant of good faith and fair dealing
- 14 contained in each of the company’s Nevada automobile insurance policies;
- 15 i. Whether Allstate’s program of premium reduction, as described in paragraph 41
- 16 above, results in a violation of Nevada law; and
- 17 j. Whether Allstate owes greater COVID-related premium reduction to its Nevada
- 18 automobile insurance policyholders.

19 52. Adequacy of Representation: Plaintiff is an adequate representative of the Class because
20 her interests do not conflict with the interests of the other members of the Class. Plaintiff will
21 fairly, adequately, and vigorously represent and protect the interests of the members of the Class
22 and has no interests antagonistic to the members of the Class. Plaintiff has retained counsel who
23 are competent and experienced in the prosecution of complex consumer class action litigation.
24 Plaintiff’s attorneys have the resources, expertise, and experience to prosecute this action, and do
25 not have knowledge of any conflicts among the members of Plaintiff’s Class, or any conflicts
26 between the Class and Plaintiff’s attorneys.

27 53. Superiority: The class action is superior to other available methods for the fair and
28 efficient adjudication of this controversy because: (a) the prosecution of a multitude of separate

1 actions would be inefficient and wasteful of judicial resources; (b) the members of the Class may
2 be scattered throughout Nevada and are not likely to be able to enforce their rights unless this
3 action is maintained as a class action; (c) the issues raised can be more fairly and efficiently
4 resolved in the context of a single action rather than through piecemeal litigation in the context
5 of separate actions; (d) the resolution of litigation in a single forum will avoid the danger and
6 resultant confusion of possible inconsistent determinations; (e) the prosecution of separate actions
7 would create the risk of inconsistent or varying adjudications; (f) Defendants have acted and will
8 act on grounds applicable to all Class members; (g) individual Class members' premium refund
9 claims are relatively small and the expense and burden of individual litigation makes it impossible
10 for Class members to individually redress the wrongs done to them; and (h) questions of law
11 and/or fact common to the Class, especially on issues of liability, predominate over any individual
12 question.

13 **VII. CAUSES OF ACTION**

14 **FIRST CAUSE OF ACTION**

15 **Declaratory Relief Pursuant to NRS 30.040**

16 54. Plaintiff, Erika Smith, on behalf of herself and all others similarly situated, repeats and
17 incorporates by reference the allegations set forth in paragraphs 1 through 53 above.

18 55. Allstate has charged an excessive premium following COVID-19 restrictions.

19 56. Allstate's program of premium reduction, as described in paragraph 41 above, continues
20 to unlawfully deprive its Nevada automobile insurance policyholders of the full and fair COVID-
21 related premium relief to which they are entitled.

22 57. Allstate's program of premium reduction, as described in paragraph 41 above, is designed
23 to secure for Allstate, and has secured and will continue to secure for Allstate, an unfair windfall
24 at the expense of Allstate's Nevada automobile insurance policyholders.

25 58. Allstate's program of premium reduction, as described in paragraph 41 above, is unlawful.

26 59. An actual controversy of a justiciable nature exists regarding the contractual relationship
27 between the Plaintiff, on behalf of herself and all others similarly situated, and Allstate,
28

1 concerning the parties' rights and obligations with respect to Allstate's program of COVID-
2 related premium reduction.

3 60. The controversy is of sufficient immediacy to justify the entry of a declaratory judgment
4 regarding the contracts between the Plaintiff, and all others similarly situated, and Allstate.

5 61. An actual controversy of a justiciable nature exists regarding Allstate's statutory
6 responsibilities to provide automobile insurance and to not charge excessive premiums.

7 62. An award of declaratory relief by this Court will terminate some or all the existing
8 controversy between the parties.

9 **SECOND CAUSE OF ACTION**

10 **Breach of Contract**

11 63. Plaintiff, Erika Smith, on behalf of herself and all others similarly situated, repeats and
12 incorporates by reference the allegations set forth in paragraphs 1 through 62 above.

13 64. Plaintiff, and Class members, each entered an insurance contract for automobile insurance
14 with Allstate.

15 65. The insurance contract is governed by Nevada law.

16 66. Allstate agreed to charge a premium that was reasonable in relation to the risk and was
17 not excessive.

18 67. Allstate should charge for the right coverage at the right price.

19 68. Allstate is aware of that the effects of the COVID-19 pandemic and restrictions materially
20 changed the nature of the risk being insured because there was material decrease in the claims
21 frequency and severity.

22 69. In light of the change of the risk being insured, the pre-COVID-19 premium is excessive
23 in relation to the COVID-19 risks.

24 70. Plaintiff, and those similarly situated, paid an excessive premium when they paid the
25 premium Allstate charged.

26 71. Allstate breached the insurance contract when it collected an excessive premium from
27 Plaintiff and those similarly situated.

28

1 72. As a direct result of Allstate’s breach of contract, Plaintiff Erika Smith, on behalf of
2 herself and all others similarly situated, have been damaged as they paid an excessive premium
3 and will continue to pay an excessive premium into the future.

4 73. As a direct and proximate result of the foregoing and as a result of the breach by
5 Defendants, Plaintiff, and those similarly situated, have sustained damages in an amount
6 exceeding Fifteen Thousand Dollars (\$15,000.00).

7 74. It has been necessary for Plaintiff to retain the services of counsel to represent her, and
8 those similarly situation, to bring this action, and Plaintiff is entitled to recovery of attorneys’ fees
9 and costs incurred herein.

10 **THIRD CAUSE OF ACTION**

11 **Breach of the Covenant of Good Faith and Fair Dealing (Contract)**

12 75. Plaintiff, Erika Smith, on behalf of herself and all others similarly situated, repeats and
13 incorporates by reference the allegations set forth in paragraphs 1 through 74 above.

14 76. Each existing automobile insurance policy Allstate has issued in the State of Nevada
15 contains an implied covenant of good faith and fair dealing.

16 77. Allstate owes a duty of good faith and fair dealing to Plaintiff and those similarly situated
17 to act in a manner that is faithful to the purpose and spirit of the contract.

18 78. In order to fulfill the purpose and spirit of the contract, Allstate must charge a premium
19 that is reasonable in relation to the risk insured against and is not excessive.

20 79. Allstate is aware that the effects of the COVID-19 pandemic and restrictions materially
21 changed the nature of the risk being insured because there was a material decrease in the claims
22 frequency and severity.

23 80. In light of the change of the risk being insured, the pre-COVID-19 premium is excessive
24 in relation to the COVID-19 risks.

25 81. Plaintiff, and those similarly situated, paid an excessive premium when they paid the
26 premium Allstate charged.

27 82. Allstate has deliberately contravened the intention and spirit of the contract by collecting
28 and retaining the excessive premium.

1 83. Allstate breached its duty of good faith and fair dealing when it collected and collected
2 and retained an excessive premium from Plaintiff and those similarly situated.

3 84. As a direct result of Allstate’s breach of contract, Plaintiff Erika Smith, on behalf of
4 herself and all others similarly situated, have been damaged as they paid an excessive premium
5 and will continue to do so into the future.

6 85. As a direct and proximate result of the foregoing and as a result of the breach by
7 Defendants, Plaintiff, and those similarly situated, have sustained damages in an amount
8 exceeding Fifteen Thousand Dollars (\$15,000.00).

9 86. It has been necessary for Plaintiff to retain the services of counsel to represent her, and
10 those similarly situation, to bring this action, and Plaintiff is entitled to recovery of attorneys’ fees
11 and costs incurred herein.

12
13 **FOURTH CAUSE OF ACTION**

14 **Bad Faith**

15 87. Plaintiff, Erika Smith, on behalf of herself and all others similarly situated, repeats and
16 incorporates by reference the allegations set forth in paragraphs 1 through 86 above.

17 88. Allstate owes a duty of good faith and fair dealing to Plaintiff, and all others similarly
18 situated insureds and the duty is imposed by law.

19 89. As part of its duty of good faith and fair dealing, Allstate has a fiduciary-like relationship
20 to Plaintiff and all other similarly situated insureds.

21 90. Under the law, Plaintiff, and all those similarly situated insureds, have the right to expect
22 trust and confidence in the integrity and fidelity of Allstate.

23 91. Allstate contracted with Plaintiff, and all those similarly situated, to provide protection,
24 peace of mind, and security as it relates to their automobile insurance.

25 92. As set forth herein, Allstate, as part of its fiduciary-like duties, cannot charge or retain an
26 excessive premium.

27 93. Allstate has breached its duty of good faith and fair dealing by charging and collecting
28 from Plaintiff, and all those similarly situated, an excessive premium.

1 94. Allstate has acted unreasonably with knowledge and there is no unreasonable basis for its
2 conduct.

3 95. Allstate represented to its customers, including Plaintiff, and all those similarly situated,
4 that it was taking measures to reduce costs to Plaintiff, and all those similarly situated, during the
5 COVID-19 crisis.

6 96. Allstate misrepresented the nature of any relief it may offer to its customers, including
7 Plaintiff, and all those similarly situated.

8 97. Allstate provided a fifteen percent (15%) premium credit for the months of April and May,
9 2020. Plaintiff, and those similarly situated, have not received any other reduction from Allstate
10 even though COVID-19 continues to wreak havoc in Nevada 11 months after the emergency
11 declaration and will continue for the foreseeable future.

12 98. This minimal credit for a limited period is insufficient where driving in the State has
13 declined between forty percent (40%) and seventy percent (70%) depending on the week.

14 99. In so doing, Allstate is taking advantage of its insureds, including Plaintiff and those
15 similarly situated, by continuing to collect and charge excessive premiums despite the greatly
16 reduced risk and enjoying substantial profits as a result.

17 100. Allstate has acted in bad faith in breaching the fiduciary responsibility it owes to
18 Plaintiff and all those similarly situated.

19 101. Allstate's actions were not keeping with the relationship of trust and confidence
20 with its insureds, including Plaintiff and all those similarly situated.

21 102. As a direct and proximate result of the foregoing and as a result of the breach by
22 Defendants, Plaintiff, and those similarly situated, have sustained damages as they have paid and
23 will continue to pay into the future in an amount exceeding Fifteen Thousand Dollars
24 (\$15,000.00).

25 103. Defendants made intentional misrepresentations to their insureds and acted with
26 conscious disregard to the rights of their insureds thus entitling Plaintiff, and all those similarly
27 situated, to an award of punitive damages.

28

1 was only provided once even though Governor Sisolak’s March 12, 2020 emergency declaration
2 has been ongoing for 11 months, and may continue for several months.

3 111. As a direct result of Allstate’s conduct, Plaintiff Erika Smith, on behalf of herself
4 and all others similarly situated, have been deprived of fair and adequate premiums as well as
5 COVID-related premium reduction to which they are fairly and lawfully entitled.

6 112. As a direct and proximate result of the foregoing and as a result of the breach by
7 Defendants, Plaintiff, and those similarly situated, have sustained damages in an amount
8 exceeding Fifteen Thousand Dollars (\$15,000.00).

9 113. Defendants made intentional misrepresentations to their insureds and acted with
10 conscious disregard to the rights of their insureds thus entitling Plaintiff, and all those similarly
11 situated, to an award of punitive damages.

12 114. It has been necessary for Plaintiff to retain the services of counsel to represent her,
13 and those similarly situation, to bring this action, and Plaintiff is entitled to recovery attorneys’
14 fees and costs incurred herein.

15 **VIII. PRAYER FOR RELIEF**

16 **WHEREFORE**, Plaintiff, and those similarly situated, pray for relief and damages as
17 follows, that the court:

- 18 A. Determine this action is a proper class action and appoint Plaintiff representative of
- 19 the Class under Rule 23 of the Nevada Rules of Civil Procedure;
- 20 B. Declare the parties’ rights, duties, status, or other legal relations;
- 21 C. Enter the judicial declarations sought by this complaint;
- 22 D. Award compensatory damages to Plaintiff, and all others similarly situated, for
- 23 Allstate’s wrongful conduct detailed above;
- 24 E. Award punitive damages;
- 25 F. Award to Plaintiff, and all others similarly situated, all attorneys’ fees and costs; and

26 ///
27 ///
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

G. Award such other and further relief as this Court deems just and appropriate.

DATED this 23rd day of February, 2021.

EGLET ADAMS

MATTHEW L. SHARP, LTD.



/s/ Matthew L. Sharp

ROBERT T. EGLET, ESQ.
Nevada Bar No. 3402
CASSANDRA S.M. CUMMINGS, ESQ.
Nevada Bar No. 11944
Attorneys for Plaintiff

MATTHEW L. SHARP, ESQ.
Nevada Bar No. 4746