



# Illinois Department of Insurance

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JB Pritzker  
Governor

Dana Popish Severinghaus  
Director

June 22, 2022

Mr. Jason A. Fogg, President  
1st Auto & Casualty Insurance Company  
2810 City View Drive  
Madison, WI. 53718

**Re: 1st Auto & Casualty Insurance Company, NAIC 44725**  
***Market Conduct Examination Verified Report***

Dear Mr. Fogg,

A Market Conduct Examination of your company was conducted by an authorized examiner designated by the Director of the Illinois Department of Insurance (“Department”) pursuant to Illinois Insurance Code (“Code”) Sections 132, 132.5(f), 404(1)(a) and 404(1)(c). This examination covered the period of January 1, 2019, through March 31, 2022. Enclosed with this letter is a copy of the verified examination report.

The examination report is a public document under the Freedom of Information Act (“FOIA”) [5 ILCS 140/1 *et seq.*] and will be posted on the Department’s website. To the extent that the examination report contains information that your Company deems private, personal, or trade secret pursuant to Sections 7(1)(b), (c), or (g) of FOIA [5 ILCS 140/7(b), (c), and (g)], your Company may request that the Department redact such information from the report prior to making it public. In making a request for confidentiality, your Company must provide a factual basis for its assertion of confidentiality. The Department will consider the request and determine whether such information is exempt from disclosure under Section 7 of FOIA.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer  
Chief Market Conduct Examiner  
Illinois Department of Insurance  
320 West Washington St., 5th Floor  
Springfield, IL 62767  
Phone: 217-782-1790  
Erica.Weyhenmeyer@Illinois.gov

Company Name: 1st Auto & Casualty Insurance Company	CoCode:	44725	Group Code:	0490								
<b>Private Passenger Auto Liability</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below				494,854				560,498				589,527
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				3,383,960				3,886,910				3,984,538
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				0				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				2,386,486				2,012,141				2,524,621
(7) Net Ultimate Adjusting & Other				0				0				0
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				398				385				450
(9) Open Claim Counts				199				155				185
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	85.1%	#DIV/0!	#DIV/0!	#DIV/0!	66.2%	#DIV/0!	#DIV/0!	#DIV/0!	78.2%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	85.1%	#DIV/0!	#DIV/0!	#DIV/0!	66.2%	#DIV/0!	#DIV/0!	#DIV/0!	78.2%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	5,996	#DIV/0!	#DIV/0!	#DIV/0!	5,226	#DIV/0!	#DIV/0!	#DIV/0!	5,610

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: 1st Auto & Casualty Insurance Company	CoCode:	44725	Group Code:	0490								
<b>Private Passenger Auto Physical Damage</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below				395,497				491,660				562,444
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				2,873,162				3,298,258				3,743,494
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				0				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				2,966,989				2,828,750				3,599,254
(7) Net Ultimate Adjusting & Other				0				0				0
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				932				1,089				1,266
(9) Open Claim Counts				124				145				137
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	117.0%	#DIV/0!	#DIV/0!	#DIV/0!	100.7%	#DIV/0!	#DIV/0!	#DIV/0!	111.2%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	117.0%	#DIV/0!	#DIV/0!	#DIV/0!	100.7%	#DIV/0!	#DIV/0!	#DIV/0!	111.2%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	3,183	#DIV/0!	#DIV/0!	#DIV/0!	2,598	#DIV/0!	#DIV/0!	#DIV/0!	2,843

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.