



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. William S. Jackson, President
American Alliance Casualty Company
8725 West Higgins Road, Suite 725
Chicago, IL. 60631

Re: American Alliance Casualty Company, NAIC 13752
Market Conduct Examination Verified Report

Dear Mr. Jackson,

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: American Alliance Casualty Company	CoCode:	13752	Group Code:	00000								
Private Passenger Auto Liability	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	2,301,659	3,192,567	2,097,421	1,996,104	2,267,936	2,066,143	5,469,453	3,327,049	4,920,885	5,237,427	4,565,319	4,213,626
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	5,358,142	6,540,115	6,155,408	5,928,823	5,916,011	5,610,301	9,931,312	9,421,077	9,404,061	11,532,050	11,565,164	11,281,907
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	-	-	-	-	-	-	-	-
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense	0	0	0	0	-	-	-	-	-	-	-	-
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	2,695,337	3,397,362	3,358,637	3,094,059	2,413,526	2,886,562	4,802,001	3,989,184	4,746,902	4,682,615	5,570,166	3,741,870
(7) Net Ultimate Adjusting & Other	682,290	889,265	767,601	741,487	780,501	661,311	901,351	793,486	775,003	987,087	1,028,537	907,358
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	610	796	837	808	626	531	967	851	787	1,002	886	781
(9) Open Claim Counts	83	159	134	122	96	101	254	231	260	246	214	146
Post-refund combined ratio (6+7+2+5)/(3-4)	106.0%	114.4%	101.1%	98.4%	92.3%	100.1%	112.5%	86.1%	111.0%	94.6%	96.5%	78.6%
Pre-refund combined ratio (6+7+2)/(3)	106.0%	114.4%	101.1%	98.4%	92.3%	100.1%	112.5%	86.1%	111.0%	94.6%	96.5%	78.6%
Claims severity (6)/(8)	4,419	4,268	4,013	3,829	3,855	5,436	4,966	4,688	6,032	4,673	6,287	4,791

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: American Alliance Casualty Company	CoCode:	13752	Group Code:	00000								
Private Passenger Auto Physical Damage	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	1,205,622	1,672,285	1,098,641	1,045,571	1,183,766	1,078,438	2,854,821	1,736,577	2,522,135	2,684,375	2,339,895	2,159,639
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	2,671,765	3,416,876	3,240,257	3,091,417	3,027,257	2,999,421	5,196,023	4,905,239	4,919,470	6,138,380	6,066,163	5,693,370
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	0	0	0	0	0	0	0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense	0	0	0	0	0	0	0	0	0	0	0	0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	1,126,744	1,400,854	1,267,086	1,254,357	1,143,492	1,405,219	2,647,202	2,472,110	2,484,538	3,362,127	2,948,445	2,276,940
(7) Net Ultimate Adjusting & Other	226,757	224,193	211,706	206,402	197,197	208,699	304,179	266,115	272,113	335,039	339,692	304,865
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	472	466	525	505	479	507	936	819	848	1,044	848	761
(9) Open Claim Counts	0	0	0	0	1	0	5	7	18	24	58	122
Post-refund combined ratio (6+7+2+5)/(3-4)	95.8%	96.5%	79.5%	81.1%	83.4%	89.8%	111.7%	91.2%	107.3%	104.0%	92.8%	83.3%
Pre-refund combined ratio (6+7+2)/(3)	95.8%	96.5%	79.5%	81.1%	83.4%	89.8%	111.7%	91.2%	107.3%	104.0%	92.8%	83.3%
Claims severity (6)/(8)	2,387	3,006	2,413	2,484	2,387	2,772	2,828	3,018	2,930	3,220	3,477	2,992

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.