



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: Badger Mutual Insurance Company, NAIC 13420
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: Badger Mutual Insurance Company	CoCode:	13420	Group Code:	0000								
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	102,759	109,510	107,098	110,354	97,794	101,228	101,839	103,550	90,978	89,956	90,929	90,180
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	399,841	426,109	416,723	429,394	421,527	436,327	438,959	446,338	435,302	430,412	435,065	431,482
(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	244,571	171,375	208,279	773,794	117,839	260,509	279,930	508,074	400,216	276,786	342,855	452,365
(7) Net Ultimate Adjusting & Other	21,490	14,435	18,027	28,157	18,576	19,413	23,278	34,233	31,355	30,936	38,618	54,571
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	37	31	35	53	23	25	36	30	30	28	30	43
(9) Open Claim Counts	0	0	0	0	1	2	3	4	4	1	5	10
Post-refund combined ratio (6+7+2+5)/(3-4)	92.2%	69.3%	80.0%	212.5%	55.6%	87.4%	92.3%	144.7%	120.0%	92.4%	108.6%	138.4%
Pre-refund combined ratio (6+7+2)/(3)	92.2%	69.3%	80.0%	212.5%	55.6%	87.4%	92.3%	144.7%	120.0%	92.4%	108.6%	138.4%
Claims severity (6)/(8)	6,610	5,528	5,951	14,600	5,123	10,420	7,776	16,936	13,341	9,885	11,429	10,520

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: Badger Mutual Insurance Company	CoCode:	13420	Group Code:	0000								
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	97,046	100,097	102,489	104,580	112,768	110,837	112,787	115,900	121,664	119,863	126,193	126,812
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	356,787	368,004	376,797	384,486	390,199	383,517	390,267	401,039	402,861	396,898	417,857	419,907
(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	180,943	246,009	221,654	309,828	234,642	307,676	208,288	316,310	287,687	315,051	313,564	445,803
(7) Net Ultimate Adjusting & Other	5,521	6,204	6,446	8,895	8,205	9,076	8,605	8,193	5,134	4,345	7,814	5,953
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	107	99	85	112	92	91	93	83	109	92	111	105
(9) Open Claim Counts	0	0	0	0	0	0	0	0	1	0	1	2
Post-refund combined ratio (6+7+2+5)/(3-4)	79.5%	95.7%	87.7%	110.1%	91.1%	111.5%	84.5%	109.8%	102.9%	110.7%	107.1%	137.8%
Pre-refund combined ratio (6+7+2)/(3)	79.5%	95.7%	87.7%	110.1%	91.1%	111.5%	84.5%	109.8%	102.9%	110.7%	107.1%	137.8%
Claims severity (6)/(8)	1,691	2,485	2,608	2,766	2,550	3,381	2,240	3,811	2,639	3,424	2,825	4,246

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.