



# Illinois Department of Insurance

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JB Pritzker  
Governor

Dana Popish Severinghaus  
Director

June 22, 2022

Mr. Francis W. Purmort III, President  
Central Mutual Insurance Company  
800 South Washington Street  
Van Wert, OH. 45891

**Re: Central Mutual Insurance Company, NAIC 20230**  
***Market Conduct Examination Verified Report***

Dear Mr. Purmort,

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: Central Insurance Companies	CoCode:	20230	Group Code:	036								
<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	262,745	303,270	260,837	231,088	238,475	257,850	252,435	193,369	193,013	211,922	213,615	202,945
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	980,728	969,146	951,558	907,796	862,388	847,890	840,098	807,663	766,365	749,857	730,562	712,678
(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	399,794	265,180	1,096,483	620,461	394,042	273,949	443,823	464,834	504,754	536,521	348,606	568,519
(7) Net Ultimate Adjusting & Other	6,906	7,865	6,529	15,305	13,000	11,362	13,647	10,972	18,217	18,112	16,913	16,987
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	62	69	79	71	47	28	46	32	49	43	33	51
(9) Open Claim Counts	0	0	0	0	0	0	4	2	1	3	1	15
Post-refund combined ratio (6+7+2+5)/(3-4)	68.3%	59.5%	143.3%	95.5%	74.9%	64.1%	84.5%	82.9%	93.4%	102.2%	79.3%	110.6%
Pre-refund combined ratio (6+7+2)/(3)	68.3%	59.5%	143.3%	95.5%	74.9%	64.1%	84.5%	82.9%	93.4%	102.2%	79.3%	110.6%
Claims severity (6)/(8)	6,448	3,843	13,880	8,739	8,384	9,784	9,648	14,526	10,301	12,477	10,564	11,147

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: Central Insurance Companies	CoCode:	20230	Group Code:	036								
<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	209,509	245,183	208,264	186,821	198,179	215,765	214,773	157,199	161,047	174,870	175,173	168,438
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	834,102	825,809	811,097	781,938	745,335	733,647	732,649	704,444	666,306	640,939	612,229	596,520
(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	340,054	448,699	460,348	597,493	364,892	403,149	470,161	272,377	380,243	361,798	367,156	434,759
(7) Net Ultimate Adjusting & Other	8,639	10,850	11,569	14,031	7,465	10,601	11,318	6,287	9,995	11,257	8,513	8,889
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	286	334	262	284	207	207	210	151	204	193	181	196
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	0	0	4
Post-refund combined ratio (6+7+2+5)/(3-4)	66.9%	85.3%	83.9%	102.1%	76.5%	85.8%	95.0%	61.9%	82.7%	85.5%	90.0%	102.6%
Pre-refund combined ratio (6+7+2)/(3)	66.9%	85.3%	83.9%	102.1%	76.5%	85.8%	95.0%	61.9%	82.7%	85.5%	90.0%	102.6%
Claims severity (6)/(8)	1,189	1,343	1,757	2,104	1,763	1,948	2,239	1,804	1,864	1,875	2,028	2,218

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.