



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Michael R. Parrillo, President
Falcon Insurance Company
724 Enterprise Drive
Oak Brook, IL. 60523

Re: Falcon Insurance Company, NAIC 14254
Market Conduct Examination Verified Report

Dear Mr. Parrillo,

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: Falcon Insurance Company	CoCode: 14254	Group Code: n/a										
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	301,616	273,645	263,024	277,246	345,151	298,157	328,927	282,976	369,843	202,263	231,181	227,656
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	838,636	853,433	814,717	806,790	841,475	866,860	920,405	924,004	905,591	871,387	708,660	624,358
(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	618,000	487,000	753,000	520,000	484,000	541,000	651,000	478,000	588,000	593,027	458,999	443,670
(7) Net Ultimate Adjusting & Other	68,176	61,862	59,461	62,676	73,252	63,278	69,809	60,056	70,757	66,980	71,676	69,624
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	168	155	166	141	104	105	132	109	113	135	130	151
(9) Open Claim Counts	9	3	6	12	7	6	10	17	16	31	36	68
Post-refund combined ratio (6+7+2+5)/(3-4)	117.8%	96.4%	132.0%	106.6%	107.2%	104.1%	114.1%	88.9%	113.6%	99.0%	107.5%	118.7%
Pre-refund combined ratio (6+7+2)/(3)	117.8%	96.4%	132.0%	106.6%	107.2%	104.1%	114.1%	88.9%	113.6%	99.0%	107.5%	118.7%
Claims severity (6)/(8)	3,679	3,142	4,536	3,688	4,654	5,152	4,932	4,385	5,204	4,393	3,531	2,938

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: Falcon Insurance Company	CoCode:	14254	Group Code:	n/a								
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	110,487	95,962	89,408	103,490	125,770	102,220	109,944	95,602	142,877	84,423	85,606	94,115
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	319,930	317,232	292,738	285,049	295,210	303,225	316,367	312,786	315,627	318,683	273,684	246,172
(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	155,757	141,265	160,633	152,110	103,174	103,689	216,317	144,932	200,128	186,287	192,293	209,377
(7) Net Ultimate Adjusting & Other	21,978	19,102	17,797	20,600	26,612	21,629	23,263	20,229	31,902	31,663	30,814	33,570
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	70	60	57	53	34	41	65	46	62	56	74	69
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	1	1	6
Post-refund combined ratio (6+7+2+5)/(3-4)	90.1%	80.8%	91.5%	96.9%	86.6%	75.0%	110.5%	83.4%	118.8%	94.9%	112.8%	136.9%
Pre-refund combined ratio (6+7+2)/(3)	90.1%	80.8%	91.5%	96.9%	86.6%	75.0%	110.5%	83.4%	118.8%	94.9%	112.8%	136.9%
Claims severity (6)/(8)	2,225	2,354	2,818	2,870	3,035	2,529	3,328	3,151	3,228	3,327	2,599	3,034

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.