



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Larry E. Willeford, President
First Acceptance Insurance Company, Inc.
3813 Green Hills Village Dr
Nashville, TN 37202

Re: First Acceptance Insurance Company, Inc., NAIC 10336
Market Conduct Examination Verified Report

Dear Mr. Willeford,

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: First Acceptance Insurance Company	CoCode:	10336	Group Code:	3362								
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	425,988	401,416	382,571	362,869	378,015	358,303	352,056	372,590	450,372	525,917	556,235	584,949
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	888,585	829,754	777,807	726,297	685,440	640,992	610,375	642,792	723,696	838,261	883,412	929,982
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense												
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	513,021	264,661	339,673	531,858	287,626	361,132	485,716	398,883	521,261	591,201	932,344	660,947
(7) Net Ultimate Adjusting & Other	80,292	44,621	57,266	92,627	54,057	73,433	89,773	71,748	89,877	91,841	142,197	111,227
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	67	70	58	61	52	45	60	52	77	98	111	102
(9) Open Claim Counts	0	1	1	3	1	3	4	4	7	17	55	41
Post-refund combined ratio (6+7+2+5)/(3-4)	114.7%	85.7%	100.2%	135.9%	105.0%	123.7%	152.0%	131.2%	146.7%	144.2%	184.6%	145.9%
Pre-refund combined ratio (6+7+2)/(3)	114.7%	85.7%	100.2%	135.9%	105.0%	123.7%	152.0%	131.2%	146.7%	144.2%	184.6%	145.9%
Claims severity (6)/(8)	7,657	3,781	5,856	8,719	5,531	8,025	8,095	7,671	6,770	6,033	8,399	6,480

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: First Acceptance Insurance Company	CoCode:	10336	Group Code:	3362								
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	425,988	401,416	382,571	362,869	378,015	358,303	352,056	372,590	450,372	525,917	556,235	584,949
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	390,658	375,700	371,055	363,398	350,218	340,660	354,161	378,003	410,743	486,467	517,684	543,442
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense												
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	513,021	264,661	339,673	531,858	287,626	361,132	485,716	398,883	521,261	591,201	932,344	660,947
(7) Net Ultimate Adjusting & Other	80,292	44,621	57,266	92,627	54,057	73,433	89,773	71,748	89,877	91,841	142,197	111,227
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	98	76	69	82	78	48	82	70	81	103	149	127
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	1	1	3
Post-refund combined ratio (6+7+2+5)/(3-4)	260.9%	189.2%	210.1%	271.7%	205.5%	232.7%	261.9%	223.1%	258.4%	248.5%	315.0%	249.7%
Pre-refund combined ratio (6+7+2)/(3)	260.9%	189.2%	210.1%	271.7%	205.5%	232.7%	261.9%	223.1%	258.4%	248.5%	315.0%	249.7%
Claims severity (6)/(8)	5,235	3,482	4,923	6,486	3,688	7,524	5,923	5,698	6,435	5,740	6,257	5,204

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.