



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 23, 2022

Mr. John Amimendola, President
Grange Mutual Group
671 South High Street
Columbus, OH. 43206

**Re: Grange Indemnity Insurance Company, NAIC 10322
Grange Insurance Company, NAIC 14060
Trustgard Insurance Company, NAIC 40118
Market Conduct Examination Verified Report**

Dear Mr. Amimendola,

A Market Conduct Examination of your companies 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: Grange Indemnity Insurance Company	CoCode:	10322	Group Code:	267								
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				47,550				28,574				20,838
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				217,123				133,441				96,921
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				5,987				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				146,784				62,710				32,206
(7) Net Ultimate Adjusting & Other				19,433				12,143				2,512
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				37				19				16
(9) Open Claim Counts				0				0				1
Post-refund combined ratio (6+7+2+5)/(3-4)				98.5%				82.0%				57.3%
Pre-refund combined ratio (6+7+2)/(3)				98.5%				77.5%				57.3%
Claims severity (6)/(8)				3,979				3,291				2,037

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: Grange Indemnity Insurance Company	CoCode:	10322	Group Code:	267								
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				27,986				20,136				15,753
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				127,790				94,033				73,271
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				4,219				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				76,478				46,804				41,551
(7) Net Ultimate Adjusting & Other				11,437				8,557				1,899
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				24				14				11
(9) Open Claim Counts				0				0				0
Post-refund combined ratio (6+7+2+5)/(3-4)				90.7%				84.8%				80.8%
Pre-refund combined ratio (6+7+2)/(3)				90.7%				80.3%				80.8%
Claims severity (6)/(8)				3,252				3,345				3,852

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: Grange Insurance Company	CoCode:	14060	Group Code:	267								
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				17,903				15,369				12,226
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				67,814				55,817				47,571
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				1,599				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				45,845				26,231				15,807
(7) Net Ultimate Adjusting & Other				8,327				3,272				5,244
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				12				8				8
(9) Open Claim Counts				0				0				1
Post-refund combined ratio (6+7+2+5)/(3-4)				106.3%				83.3%				70.0%
Pre-refund combined ratio (6+7+2)/(3)				106.3%				80.4%				70.0%
Claims severity (6)/(8)				3,979				3,291				2,037

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: Grange Insurance Company	CoCode:	14060	Group Code:	267								
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				18,683				16,703				13,643
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				70,770				60,661				53,085
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				1,738				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				42,353				30,193				30,104
(7) Net Ultimate Adjusting & Other				8,690				3,556				5,851
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				13				9				8
(9) Open Claim Counts				0				0				0
Post-refund combined ratio (6+7+2+5)/(3-4)				98.5%				86.0%				93.4%
Pre-refund combined ratio (6+7+2)/(3)				98.5%				83.2%				93.4%
Claims severity (6)/(8)				3,252				3,345				3,852

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: Trustgard Insurance Company	CoCode:	40118	Group Code:	267								
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				891,187				949,186				904,622
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				3,375,708				3,628,483				3,519,931
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				153,873				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				2,282,109				1,705,178				1,169,643
(7) Net Ultimate Adjusting & Other				414,494				212,714				387,993
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				574				518				574
(9) Open Claim Counts				0				2				46
Post-refund combined ratio (6+7+2+5)/(3-4)				106.3%				83.3%				70.0%
Pre-refund combined ratio (6+7+2)/(3)				106.3%				79.0%				70.0%
Claims severity (6)/(8)				3,979				3,291				2,037

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: Trustgard Insurance Company	CoCode:	40118	Group Code:	267								
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				739,777				831,859				843,913
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				2,802,185				3,179,973				3,283,710
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				0				0				0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				0				134,853				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				1,677,009				1,582,797				1,862,144
(7) Net Ultimate Adjusting & Other				344,073				186,421				361,955
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				516				473				483
(9) Open Claim Counts				1				1				4
Post-refund combined ratio (6+7+2+5)/(3-4)				98.5%				86.0%				93.4%
Pre-refund combined ratio (6+7+2)/(3)				98.5%				81.8%				93.4%
Claims severity (6)/(8)				3,252				3,345				3,852

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.