



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Joseph J. Babiak Jr, President
Hastings Mutual Insurance Company
404 East Woodlawn Avenue
Hastings, MI. 49058

Re: Hastings Mutual Insurance Company, NAIC 14176
Market Conduct Examination Verified Report

Dear Mr. Babiak,

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: Hastings Mutual Insurance Company	CoCode:	14176	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	214,087	219,755	210,865	230,668	218,067	212,952	220,351	240,927	206,506	202,800	198,115	205,046
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	710,839	726,542	731,105	719,172	691,174	697,081	668,132	662,637	636,836	632,543	623,149	610,420
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	78,701	55,492	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	528,403	812,941	353,959	-33,675	619,748	-439,745	564,793	-213,016	269,418	457,021	309,455	509,043
(7) Net Ultimate Adjusting & Other	30,263	25,882	23,406	46,051	37,333	40,895	33,882	36,443	27,147	33,439	24,527	-13,509
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	68	57	49	61	44	32	38	36	26	51	44	24
(9) Open Claim Counts	0	0	0	1	5	0	1	4	4	7	7	35
Post-refund combined ratio (6+7+2+5)/(3-4)	108.7%	145.7%	80.5%	33.8%	126.6%	-30.1%	133.7%	9.7%	79.0%	109.6%	85.4%	114.8%
Pre-refund combined ratio (6+7+2)/(3)	108.7%	145.7%	80.5%	33.8%	126.6%	-26.7%	122.6%	9.7%	79.0%	109.6%	85.4%	114.8%
Claims severity (6)/(8)	7,771	14,262	7,224	-552	14,085	-13,742	14,863	-5,917	10,362	8,961	7,033	21,210

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: Hastings Mutual Insurance Company	CoCode:	14176	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	194,445	192,549	191,944	203,192	194,868	196,467	202,010	214,506	181,045	181,755	179,197	181,443
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	626,944	624,767	612,904	605,649	583,608	581,017	578,589	568,526	534,872	531,902	520,917	513,898
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	15	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	515,905	473,818	508,481	642,931	339,029	288,216	347,018	400,201	305,774	603,131	346,441	569,570
(7) Net Ultimate Adjusting & Other	44,408	38,056	30,424	42,107	43,068	32,594	36,125	-6,444	32,491	24,932	28,326	61,886
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	174	193	214	172	146	111	144	137	121	156	157	139
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	0	0	21
Post-refund combined ratio (6+7+2+5)/(3-4)	120.4%	112.7%	119.2%	146.7%	98.9%	89.0%	101.1%	107.0%	97.1%	152.2%	106.3%	158.2%
Pre-refund combined ratio (6+7+2)/(3)	120.4%	112.7%	119.2%	146.7%	98.9%	89.0%	101.1%	107.0%	97.1%	152.2%	106.3%	158.2%
Claims severity (6)/(8)	2,965	2,455	2,376	3,738	2,322	2,597	2,410	2,921	2,527	3,866	2,207	4,098

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.