



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 23, 2022

Mr. Robert R. Cox, President
Markel Insurance Companies
4521 Highwoods Parkway
Glen Allen, VA. 23060

Re: Essentia Insurance Company, NAIC 37915
Markel American insurance Company, NAIC 28932
Market Conduct Examination Verified Report

Dear Mr. Cox,

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: Essentia Insurance Company	CoCode: 37915	Group Code: 785										
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				599,063				606,069				534,216
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				1,178,308				1,187,894				1,064,448
(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				0				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				198,474				307,567				274,465
(7) Net Ultimate Adjusting & Other				11,783				11,879				14,902
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				67				74				90
(9) Open Claim Counts				1				3				8
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	68.7%	#DIV/0!	#DIV/0!	#DIV/0!	77.9%	#DIV/0!	#DIV/0!	#DIV/0!	77.4%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	68.7%	#DIV/0!	#DIV/0!	#DIV/0!	77.9%	#DIV/0!	#DIV/0!	#DIV/0!	77.4%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	2,962	#DIV/0!	#DIV/0!	#DIV/0!	4,156	#DIV/0!	#DIV/0!	#DIV/0!	3,050

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: Essentia Insurance Company	CoCode: 37915	Group Code: 785										
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				1,916,655				1,916,629				1,971,291
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				3,769,902				3,756,587				3,927,885
(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				0				0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				1,427,624				1,327,331				1,501,125
(7) Net Ultimate Adjusting & Other				37,699				37,566				54,990
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				388				397				486
(9) Open Claim Counts				0				2				9
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	89.7%	#DIV/0!	#DIV/0!	#DIV/0!	87.4%	#DIV/0!	#DIV/0!	#DIV/0!	89.8%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	89.7%	#DIV/0!	#DIV/0!	#DIV/0!	87.4%	#DIV/0!	#DIV/0!	#DIV/0!	89.8%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	3,679	#DIV/0!	#DIV/0!	#DIV/0!	3,343	#DIV/0!	#DIV/0!	#DIV/0!	3,089

Notes:

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Claim counts should be reported net of quota share reinsurance.

Company Name: Markel American Insurance Company	CoCode:	28932	Group Code:	785								
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	14,915	15,216	15,207	14,759	10,998	10,296	9,808	9,434	9,770	9,056	8,775	8,434
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	46,609	47,549	47,521	46,121	44,526	41,686	39,707	38,192	36,186	33,540	32,433	31,370
(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	10,659	3,520	22,954	106	-	-	106,371	11,307	-	2,346	17,340	1,116
(7) Net Ultimate Adjusting & Other	2,553	2,621	2,625	2,545	2,456	2,327	2,261	2,204	2,349	2,237	2,209	2,150
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	1	2	6	1	-	-	5	2	-	1	3	3
(9) Open Claim Counts	-	-	-	-	-	-	-	-	-	-	-	-
Post-refund combined ratio (6+7+2+5)/(3-4)	60.3%	44.9%	85.8%	37.7%	30.2%	30.3%	298.3%	60.1%	33.5%	40.7%	87.3%	37.3%
Pre-refund combined ratio (6+7+2)/(3)	60.3%	44.9%	85.8%	37.7%	30.2%	30.3%	298.3%	60.1%	33.5%	40.7%	87.3%	37.3%
Claims severity (6)/(8)	10,659	1,760	3,826	106	#DIV/0!	#DIV/0!	21,274	5,653	#DIV/0!	2,346	5,780	372

Notes:

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"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Markel American Insurance Company	CoCode:	28932	Group Code:	785								
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	14,293	15,399	16,415	16,551	12,453	12,531	12,550	12,219	12,740	12,451	12,486	12,137
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	44,666	48,123	51,296	51,723	50,417	50,731	50,809	49,470	47,184	46,114	46,453	45,049
(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	13,894	37,869	113,769	11,830	9,789	31,360	69,728	21,358	3,578	80,683	36,192	6,782
(7) Net Ultimate Adjusting & Other	3,459	3,744	4,076	4,093	3,965	3,944	4,007	4,051	4,415	4,626	4,924	4,924
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	6	13	15	3	2	13	14	5	2	16	13	11
(9) Open Claim Counts	-	-	-	-	-	-	-	-	-	-	-	-
Post-refund combined ratio (6+7+2+5)/(3-4)	70.9%	118.5%	261.7%	62.8%	52.0%	94.3%	169.8%	76.1%	43.9%	212.0%	115.4%	52.9%
Pre-refund combined ratio (6+7+2)/(3)	70.9%	118.5%	261.7%	62.8%	52.0%	94.3%	169.8%	76.1%	43.9%	212.0%	115.4%	52.9%
Claims severity (6)/(8)	2,316	2,913	7,585	3,943	4,895	2,412	4,981	4,272	1,789	5,043	2,784	617

Notes:

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Claim counts should be reported net of quota share reinsurance.