



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Gabriel Tirador, President
Mercury Insurance Company of Illinois
100 South Saunders Rd. Suite 105, Office #110
Lake Forest, IL. 60045

Re: Mercury Insurance Company of Illinois, NAIC 34444
Market Conduct Examination Verified Report

Dear Mr. Tirador,

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: Mercury Insurance Company of IL	CoCode:	34444	Group Code:	660								
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	332,728	349,391	373,679	299,022	385,122	386,056	363,011	296,976	341,202	488,264	397,844	301,614
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	1,186,117	1,188,582	1,235,513	1,341,432	1,381,369	1,408,219	1,458,384	1,437,778	1,380,775	1,450,073	1,572,473	1,688,076
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	133,064	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	935,903	1,335,993	895,911	568,901	734,370	640,577	852,764	636,130	609,090	1,190,093	959,940	785,872
(7) Net Ultimate Adjusting & Other	153,992	166,033	195,608	117,881	112,603	174,299	217,952	122,594	142,371	175,482	185,909	110,493
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	191	198	178	192	178	98	146	138	128	161	170	173
(9) Open Claim Counts	209	249	180	181	153	138	117	116	88	129	147	113
Post-refund combined ratio (6+7+2+5)/(3-4)	119.9%	155.8%	118.6%	73.5%	89.2%	94.2%	98.3%	73.4%	79.1%	127.8%	98.2%	71.0%
Pre-refund combined ratio (6+7+2)/(3)	119.9%	155.8%	118.6%	73.5%	89.2%	85.3%	98.3%	73.4%	79.1%	127.8%	98.2%	71.0%
Claims severity (6)/(8)	4,900	6,747	5,033	2,963	4,126	6,537	5,841	4,610	4,759	7,392	5,647	4,543

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: Mercury Insurance Company of IL	CoCode:	34444	Group Code:	660								
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	253,658	222,407	256,460	385,557	333,324	314,639	281,946	341,530	308,746	314,816	415,206	497,047
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	991,503	1,015,386	1,054,477	1,151,978	1,198,940	1,245,628	1,305,472	1,309,399	1,279,817	1,367,326	1,485,223	1,591,130
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	133,064	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	713,493	850,435	614,874	733,536	635,599	522,078	662,330	731,565	551,152	767,330	1,001,831	1,295,086
(7) Net Ultimate Adjusting & Other	117,397	105,689	134,248	151,994	97,458	142,055	169,280	140,986	128,828	113,145	194,022	182,088
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	209	252	173	234	196	164	229	205	194	232	285	262
(9) Open Claim Counts	91	123	72	110	66	89	86	85	85	93	138	181
Post-refund combined ratio (6+7+2+5)/(3-4)	109.4%	116.1%	95.4%	110.3%	88.9%	88.0%	85.3%	92.7%	77.3%	87.4%	108.5%	124.1%
Pre-refund combined ratio (6+7+2)/(3)	109.4%	116.1%	95.4%	110.3%	88.9%	78.6%	85.3%	92.7%	77.3%	87.4%	108.5%	124.1%
Claims severity (6)/(8)	3,414	3,375	3,554	3,135	3,243	3,183	2,892	3,569	2,841	3,307	3,515	4,943

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.