



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 23, 2022

Mr. David V. Connell, President
Farmers Automobile Group
2505 Court Street
Pekin, IL. 61558

Re: Farmers Automobile Insurance Association, NAIC 24201
Pekin Insurance Company, NAIC 24228
Market Conduct Examination Verified Report

Dear Mr. Connell,

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: Farmers Automobile Insurance Association	CoCode: 24201	Group Code: 0153										
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				10,980,852				10,914,444				9,496,568
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				32,728,839				32,992,046				29,581,221
(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				24,520,112				18,671,600				19,089,269
(7) Net Ultimate Adjusting & Other				3,460,535				2,152,965				1,802,254
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				2,812				1,767				1,554
(9) Open Claim Counts				129				283				655
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	119.0%	#DIV/0!	#DIV/0!	#DIV/0!	96.2%	#DIV/0!	#DIV/0!	#DIV/0!	102.7%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	119.0%	#DIV/0!	#DIV/0!	#DIV/0!	96.2%	#DIV/0!	#DIV/0!	#DIV/0!	102.7%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	8,720	#DIV/0!	#DIV/0!	#DIV/0!	10,567	#DIV/0!	#DIV/0!	#DIV/0!	12,284

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.

The numbers provided are annual numbers as approved in the updated clarification for this call. Certain elements were not available at a quarterly level and could not be reasonably split.

Company Name: Farmers Automobile Insurance Association	CoCode:	24201	Group Code:	0153								
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				10,146,282				10,150,122				8,992,029
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				30,044,086				29,871,578				27,663,308
(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				20,711,290				15,309,456				19,730,419
(7) Net Ultimate Adjusting & Other				2,686,841				2,256,011				2,710,828
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				10,333				7,892				7,925
(9) Open Claim Counts				93				199				619
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	111.7%	#DIV/0!	#DIV/0!	#DIV/0!	92.8%	#DIV/0!	#DIV/0!	#DIV/0!	113.6%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	111.7%	#DIV/0!	#DIV/0!	#DIV/0!	92.8%	#DIV/0!	#DIV/0!	#DIV/0!	113.6%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	2,004	#DIV/0!	#DIV/0!	#DIV/0!	1,940	#DIV/0!	#DIV/0!	#DIV/0!	2,490

Notes:

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

Claim counts should be reported net of quota share reinsurance.

The numbers provided are annual numbers as approved in the updated clarification for this call. Certain elements were not available at a quarterly level and could not be reasonably split.

Company Name: Pekin Insurance Company	CoCode:	24228	Group Code:	0153								
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				2,745,213				2,728,611				2,374,142
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				8,182,210				8,248,012				7,395,305
(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				6,130,028				4,667,900				4,772,317
(7) Net Ultimate Adjusting & Other				865,134				538,241				450,564
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				703				442				389
(9) Open Claim Counts				32				71				164
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	119.0%	#DIV/0!	#DIV/0!	#DIV/0!	96.2%	#DIV/0!	#DIV/0!	#DIV/0!	102.7%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	119.0%	#DIV/0!	#DIV/0!	#DIV/0!	96.2%	#DIV/0!	#DIV/0!	#DIV/0!	102.7%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	8,720	#DIV/0!	#DIV/0!	#DIV/0!	10,561	#DIV/0!	#DIV/0!	#DIV/0!	12,268

Notes:

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The numbers provided are annual numbers as approved in the updated clarification for this call. Certain elements were not available at a quarterly level and could not be reasonably split.

Company Name: Pekin Insurance Company	CoCode:	24228	Group Code:	0153								
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				2,536,571				2,537,531				2,248,007
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				7,511,022				7,467,895				6,915,827
(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				5,177,823				3,827,364				4,932,605
(7) Net Ultimate Adjusting & Other				671,710				564,003				677,707
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				2,583				1,973				1,981
(9) Open Claim Counts				23				50				155
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	111.7%	#DIV/0!	#DIV/0!	#DIV/0!	92.8%	#DIV/0!	#DIV/0!	#DIV/0!	113.6%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	111.7%	#DIV/0!	#DIV/0!	#DIV/0!	92.8%	#DIV/0!	#DIV/0!	#DIV/0!	113.6%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	2,005	#DIV/0!	#DIV/0!	#DIV/0!	1,940	#DIV/0!	#DIV/0!	#DIV/0!	2,490

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