



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Ross J Buchmueller, President
Privilege Underwriters Reciprocal Exchange
800 Corporate Drive, Suite 420
Fort Lauderdale, FL. 33334

Re: Privilege Underwriters Reciprocal Exchange, NAIC 12873
Market Conduct Examination Verified Report

Dear Mr. Buchmueller,

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: Privilege Underwriters Reciprocal Exchange	CoCode:	12873	Group Code:	3098								
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	93,481	103,299	118,986	123,106	116,516	121,401	129,933	130,298	134,191	140,673	145,982	148,217
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	230,740	254,975	293,694	303,865	306,367	319,213	341,647	342,606	338,039	354,367	367,739	373,371
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	5,198	33,699	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	117,842	210,244	266,142	136,461	172,418	80,018	310,134	186,651	409,827	318,228	550,560	374,310
(7) Net Ultimate Adjusting & Other	15,364	16,977	19,555	20,233	12,183	12,693	13,586	13,624	18,518	19,412	20,144	20,453
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	44	48	47	37	41	16	28	31	25	36	42	34
(9) Open Claim Counts	0	1	2	0	0	0	2	1	5	1	5	8
Post-refund combined ratio (6+7+2+5)/(3-4)	98.2%	129.6%	137.8%	92.1%	100.0%	75.0%	132.8%	96.5%	166.4%	135.0%	194.9%	145.4%
Pre-refund combined ratio (6+7+2)/(3)	98.2%	129.6%	137.8%	92.1%	98.3%	67.1%	132.8%	96.5%	166.4%	135.0%	194.9%	145.4%
Claims severity (6)/(8)	2,675	4,373	5,652	3,678	4,190	4,977	11,011	5,976	16,199	8,920	13,248	10,959

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: Privilege Underwriters Reciprocal Exchange	CoCode:	12873	Group Code:	3098								
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	169,417	186,323	213,607	220,455	218,301	228,883	246,917	250,356	260,502	279,273	294,500	304,722
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	424,741	467,126	535,527	552,696	561,114	588,314	634,667	643,507	641,878	688,129	725,649	750,836
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	9,520	62,107	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	146,569	233,109	187,131	296,763	184,497	151,898	224,605	189,568	180,245	177,272	240,548	298,990
(7) Net Ultimate Adjusting & Other	20,377	22,410	25,692	26,515	33,881	35,524	38,322	38,856	33,731	36,162	38,134	39,457
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	122	148	140	149	112	89	123	103	115	136	139	125
(9) Open Claim Counts	0	1	3	0	0	0	2	2	14	1	10	23
Post-refund combined ratio (6+7+2+5)/(3-4)	79.2%	94.6%	79.6%	98.4%	79.2%	79.1%	80.3%	74.4%	73.9%	71.6%	79.0%	85.7%
Pre-refund combined ratio (6+7+2)/(3)	79.2%	94.6%	79.6%	98.4%	77.8%	70.8%	80.3%	74.4%	73.9%	71.6%	79.0%	85.7%
Claims severity (6)/(8)	1,201	1,575	1,336	1,991	1,646	1,705	1,823	1,836	1,572	1,307	1,732	2,386

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.