



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Kent B. Shantz, President
Rockford Mutual Insurance Company
527 Colman Center Drive
Rockford, IL. 61108

Re: Rockford Mutual Insurance Company, NAIC 27065
Market Conduct Examination Verified Report

Dear Mr. Shantz,

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: Rockford Mutual Insurance Company	CoCode:	27065	Group Code:	n/a								
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	1,119,337	1,123,913	1,014,017	1,139,703	959,862	973,988	906,290	1,227,646	831,413	792,751	743,927	841,589
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	3,063,921	3,119,903	3,143,187	3,135,410	3,076,986	3,059,815	3,043,032	2,949,148	2,790,196	2,555,061	2,593,936	2,510,108
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	0	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	1,435,530	1,337,060	1,544,962	1,400,602	1,521,142	1,787,190	1,858,006	1,169,682	1,174,068	1,228,025	1,615,800	1,583,734
(7) Net Ultimate Adjusting & Other	283,149	262,327	254,611	265,976	241,214	225,168	233,342	275,968	188,929	192,942	174,561	208,117
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	222	216	262	274	214	148	244	181	169	155	181	193
(9) Open Claim Counts	2	3	8	6	3	9	9	7	14	6	26	43
Post-refund combined ratio (6+7+2+5)/(3-4)	92.6%	87.3%	89.5%	89.5%	88.5%	97.6%	98.5%	90.6%	78.6%	86.6%	97.7%	104.9%
Pre-refund combined ratio (6+7+2)/(3)	92.6%	87.3%	89.5%	89.5%	88.5%	97.6%	98.5%	90.6%	78.6%	86.6%	97.7%	104.9%
Claims severity (6)/(8)	6,466	6,190	5,897	5,112	7,108	12,076	7,615	6,462	6,947	7,923	8,927	8,206

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.

1. Rockford Mutual Insurance Company placed a voluntary moratorium on all rate increases in 2020.
2. Rockford Mutual Insurance Company immediately implemented a moratorium on all cancellations, prior to any state bulletins.
3. After moratoriums ended, Rockford Mutual Insurance Company provided up to 24 months for policyholders to make accounts current.
4. Rockford Mutual Insurance Company contributed to the Illinois COVID Relief Fund.

Company Name: Rockford Mutual Insurance Company	CoCode:	27065	Group Code:	n/a								
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	932,211	959,274	901,555	988,620	855,503	877,510	825,540	884,079	747,889	820,187	780,937	812,338
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	2,565,429	2,627,425	2,699,065	2,744,110	2,724,956	2,704,693	2,730,458	2,672,292	2,549,242	2,575,816	2,610,804	2,569,046
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	0	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	1,582,568	1,604,247	1,614,429	1,955,734	1,346,198	1,262,455	1,628,439	1,591,937	1,605,798	1,419,047	2,336,756	2,035,889
(7) Net Ultimate Adjusting & Other	245,205	245,784	238,984	239,713	221,637	219,722	223,868	259,265	209,532	202,104	215,736	228,327
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	675	762	699	742	573	539	708	606	589	627	730	627
(9) Open Claim Counts	0	2	2	0	4	0	2	0	2	0	4	5
Post-refund combined ratio (6+7+2+5)/(3-4)	107.6%	106.9%	102.1%	116.0%	88.9%	87.2%	98.1%	102.4%	100.5%	94.8%	127.7%	119.8%
Pre-refund combined ratio (6+7+2)/(3)	107.6%	106.9%	102.1%	116.0%	88.9%	87.2%	98.1%	102.4%	100.5%	94.8%	127.7%	119.8%
Claims severity (6)/(8)	2,345	2,105	2,310	2,636	2,349	2,342	2,300	2,627	2,726	2,263	3,201	3,247

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.

1. Rockford Mutual Insurance Company placed a voluntary moratorium on all rate increases in 2020.
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