



# Illinois Department of Insurance

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JB Pritzker  
Governor

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Director

June 22, 2022

Mr. James J. McGrath, President  
The Automobile Club Inter-Insurance Exchange  
C/O Club Exchange Corporation  
12901 North Forty Drive  
St. Louis County, MO. 63141

**Re: The Automobile Club Inter-Insurance Exchange, NAIC 15512**  
***Market Conduct Examination Verified Report***

Dear Mr. McGrath,

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: Automobile Club Inter-Exchange	CoCode: 15512	Group Code: 1318										
<b>Private Passenger Auto Liability</b>	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	296,911	294,840	287,496	283,793	345,069	338,364	337,473	335,245	357,492	355,314	346,603	341,800
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	1,264,574	1,255,755	1,224,477	1,208,704	1,192,583	1,169,411	1,166,329	1,158,630	1,158,983	1,151,921	1,123,681	1,108,108
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium					39,713	178,351	118,423	118,481				
(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	701,615	936,181	1,142,868	1,151,248	666,941	298,248	785,022	538,783	709,685	878,457	1,070,731	942,968
(7) Net Ultimate Adjusting & Other	168,818	167,641	163,466	161,360	193,023	189,273	188,774	187,528	178,772	177,683	173,327	170,925
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	124	126	123	166	85	46	95	85	91	113	99	108
(9) Open Claim Counts	4	6	7	1	0	1	7	7	7	15	27	41
Post-refund combined ratio (6+7+2+5)/(3-4)	92.3%	111.4%	130.2%	132.1%	104.5%	83.3%	125.1%	102.1%	107.5%	122.5%	141.6%	131.4%
Pre-refund combined ratio (6+7+2)/(3)	92.3%	111.4%	130.2%	132.1%	101.0%	70.6%	112.4%	91.6%	107.5%	122.5%	141.6%	131.4%
Claims severity (6)/(8)	5,658	7,430	9,292	6,935	7,846	6,484	8,263	6,339	7,799	7,774	10,815	8,731

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.

Coverages include BI, PD, MP, UM, UIM, UMPD

Company Name: Automobile Club Inter-Exchange	CoCode: 15512	Group Code: 1318										
<b>Private Passenger Auto Physical Damage</b>	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	233,790	234,876	232,702	231,557	271,548	268,815	269,595	271,623	283,586	283,419	273,621	265,761
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	1,026,703	1,031,471	1,021,923	1,016,896	1,005,106	994,989	997,876	1,005,384	1,005,291	1,004,699	969,965	942,100
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium					33,300	149,822	99,842	101,192				
(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	637,462	644,758	534,934	800,313	367,153	320,400	556,154	491,118	409,541	601,152	614,579	586,436
(7) Net Ultimate Adjusting & Other	132,602	133,218	131,985	131,336	149,173	147,671	148,100	149,214	130,775	130,698	126,179	122,554
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	253	226	211	269	142	138	200	185	175	209	221	190
(9) Open Claim Counts	0	0	0	0	0	0	0	0	1	1	6	14
Post-refund combined ratio (6+7+2+5)/(3-4)	97.8%	98.2%	88.0%	114.4%	81.1%	87.2%	108.4%	100.9%	82.0%	101.1%	104.6%	103.5%
Pre-refund combined ratio (6+7+2)/(3)	97.8%	98.2%	88.0%	114.4%	78.4%	74.1%	97.6%	90.7%	82.0%	101.1%	104.6%	103.5%
Claims severity (6)/(8)	2,520	2,853	2,535	2,975	2,586	2,322	2,781	2,655	2,340	2,876	2,781	3,087

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.

Coverages include COLL, COMP, RENT