



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 22, 2022

Mr. Steven M. Spray, President
The Cincinnati Insurance Company
6200 South Gilmore Road
Fairfield, OH. 45014

Re: The Cincinnati Insurance Company, NAIC 10677
Market Conduct Examination Verified Report

Dear Mr. Spray,

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: The Cincinnati Insurance Co.	CoCode: 10677	Group Code: 0244										
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	1,017,482	1,018,539	1,016,363	1,032,555	1,045,695	1,067,161	1,079,616	1,078,760	1,076,025	1,083,675	1,092,066	1,096,810
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	3,849,712	3,853,709	3,845,477	3,906,740	3,972,155	4,053,696	4,101,007	4,097,756	4,106,920	4,136,119	4,168,143	4,186,250
(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	375,846	0	0	0	0	0	0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	2,104,867	2,535,834	2,087,484	2,280,694	2,513,573	2,014,590	1,437,038	681,285	1,931,049	2,207,983	2,592,058	1,963,131
(7) Net Ultimate Adjusting & Other	418,276	305,040	299,218	319,575	127,670	293,230	273,152	292,771	-35,490	231,212	298,844	340,568
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	249	269	206	226	194	123	178	140	166	205	193	223
(9) Open Claim Counts	6	5	3	3	4	5	4	5	18	23	32	64
Post-refund combined ratio (6+7+2+5)/(3-4)	92.0%	100.1%	88.5%	93.0%	92.8%	92.5%	68.0%	50.1%	72.4%	85.2%	95.6%	81.2%
Pre-refund combined ratio (6+7+2)/(3)	92.0%	100.1%	88.5%	93.0%	92.8%	83.3%	68.0%	50.1%	72.4%	85.2%	95.6%	81.2%
Claims severity (6)/(8)	8,461	9,435	10,143	10,113	12,938	16,433	8,060	4,864	11,627	10,755	13,407	8,796

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.

Submission Notes:

The Cincinnati Casualty Co. NAIC 28665 is ceded to The Cincinnati Insurance Co NAIC 10677.

Company Name: The Cincinnati Insurance Co.	CoCode:	10677	Group Code:	0244								
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	940,072	949,370	955,653	963,284	973,012	984,930	1,004,859	1,026,632	1,045,290	1,077,828	1,106,276	1,125,221
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	3,556,827	3,592,006	3,615,777	3,644,648	3,696,066	3,741,335	3,817,038	3,899,743	3,989,610	4,113,801	4,222,378	4,294,689
(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	407,225	0	0	0	0	0	0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	1,875,369	2,536,618	1,546,309	2,104,338	1,624,824	1,699,153	2,531,523	1,008,304	1,958,553	2,602,836	2,633,198	2,537,169
(7) Net Ultimate Adjusting & Other	288,660	333,482	304,195	318,608	288,793	361,094	516,500	401,733	479,979	400,367	430,061	447,418
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	735	860	766	819	673	512	734	633	727	793	864	799
(9) Open Claim Counts	4	5	3	5	5	3	8	7	10	24	28	70
Post-refund combined ratio (6+7+2+5)/(3-4)	87.3%	106.3%	77.6%	92.9%	78.1%	92.3%	106.2%	62.5%	87.3%	99.2%	98.7%	95.7%
Pre-refund combined ratio (6+7+2)/(3)	87.3%	106.3%	77.6%	92.9%	78.1%	81.4%	106.2%	62.5%	87.3%	99.2%	98.7%	95.7%
Claims severity (6)/(8)	2,552	2,950	2,019	2,569	2,414	3,318	3,449	1,593	2,696	3,281	3,047	3,174

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.