



# Illinois Department of Insurance

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JB Pritzker  
Governor

Dana Popish Severinghaus  
Director

June 23, 2022

Mr. John P. Heywood, President  
United Equitable Group  
9040 Waukegan Road  
Morton Grove, IL. 60053

**Re: American Heartland Insurance Company, NAIC 10031  
United Equitable Insurance Company, NAIC 24910  
Market Conduct Examination Verified Report**

Dear Mr. Heywood,

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: American Heartland Insurance Company	CoCode: 10031	Group Code: 167	
<b>Private Passenger Auto Liability</b>	Accident Annual		
Statewide data (Illinois only) as of 3/31/2022	2019	2020	2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	3,866,370	4,518,690	4,501,045
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	8,168,788	10,832,208	11,902,403
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	-	-	-
(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	4,826,196	6,630,262	7,434,529
(7) Net Ultimate Adjusting & Other	371,581	548,568	547,900
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	591	603	555
(9) Open Claim Counts	713	1,689	2,325
Post-refund combined ratio (6+7+2+5)/(3-4)	111.0%	108.0%	104.9%
Pre-refund combined ratio (6+7+2)/(3)	111.0%	108.0%	104.9%
Claims severity (6)/(8)	8,166	10,995	13,396

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: American Heartland Insurance Company	CoCode: 10031	Group Code: 167	
<b>Private Passenger Auto Physical Damage</b>	Accident Annual		
Statewide data (Illinois only) as of 3/31/2022	2019	2020	2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	1,355,003	1,796,910	1,965,564
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	2,857,722	4,594,506	5,372,705
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	-	-	-
(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	1,021,396	1,798,555	2,395,848
(7) Net Ultimate Adjusting & Other	619,968	912,692	693,968
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	420	438	416
(9) Open Claim Counts	5	17	451
Post-refund combined ratio (6+7+2+5)/(3-4)	104.9%	98.1%	94.1%
Pre-refund combined ratio (6+7+2)/(3)	104.9%	98.1%	94.1%
Claims severity (6)/(8)	2,432	4,106	5,759

Notes:

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

*Claim counts should be reported net of quota share reinsurance.*

Company Name: United Equitable Insurance Company	CoCode: 24910	Group Code: 167										
<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				4,122,460				4,793,248				4,455,448
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				8,811,518				10,997,300				10,802,541
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				-				-				-
(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				5,555,561				7,596,761				7,368,309
(7) Net Ultimate Adjusting & Other				330,608				428,642				375,427
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				730				593				545
(9) Open Claim Counts				981				1,951				2,440
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	113.6%	#DIV/0!	#DIV/0!	#DIV/0!	116.6%	#DIV/0!	#DIV/0!	#DIV/0!	112.9%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	113.6%	#DIV/0!	#DIV/0!	#DIV/0!	116.6%	#DIV/0!	#DIV/0!	#DIV/0!	112.9%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	7,610	#DIV/0!	#DIV/0!	#DIV/0!	12,811	#DIV/0!	#DIV/0!	#DIV/0!	13,520

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.

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

Claim counts should be reported net of quota share reinsurance.

Company Name: United Equitable Insurance Company	CoCode:	24910	Group Code:	167								
<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				3,523,068				4,131,720				3,898,237
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				7,991,227				10,355,151				10,252,004
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				-				-				-
(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				2,803,573				4,143,868				4,561,856
(7) Net Ultimate Adjusting & Other				1,258,653				1,536,223				1,031,251
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				1,204				1,031				836
(9) Open Claim Counts				25				43				931
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	94.9%	#DIV/0!	#DIV/0!	#DIV/0!	94.8%	#DIV/0!	#DIV/0!	#DIV/0!	92.6%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	94.9%	#DIV/0!	#DIV/0!	#DIV/0!	94.8%	#DIV/0!	#DIV/0!	#DIV/0!	92.6%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	2,329	#DIV/0!	#DIV/0!	#DIV/0!	4,019	#DIV/0!	#DIV/0!	#DIV/0!	5,457

Notes:

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

Claim counts should be reported net of quota share reinsurance.