



Illinois Department of Insurance

JB Pritzker
Governor

Ann Gillespie
Acting Director

June 6, 2024

Jim Jacobs, Chief Executive Officer
c/o Calli Kistner
Country Insurance & Financial Services Group
1701 Towanda Avenue
Bloomington, IL. 61701

Re: Country Mutual Insurance Company, NAIC 20990
Country Preferred Insurance Company, NAIC 21008
Country Casualty Insurance Company, NAIC 20982
Country Life Insurance Company, NAIC 62553
Country Investors Life Assurance Company, NAIC 94218
Market Conduct Examination Report Closing Letter

Dear Jim Jacobs,

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

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Chief Market Conduct Examiner
Illinois Department of Insurance
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ILLINOIS DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION

COUNTRY MUTUAL INSURANCE COMPANY
COUNTRY PREFERRED INSURANCE COMPANY
COUNTRY CASUALTY INSURANCE COMPANY
COUNTRY LIFE INSURANCE COMPANY
COUNTRY INVESTORS LIFE ASSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: June 1, 2022, to April 30, 2023

EXAMINATION OF: Country Mutual Insurance Company (NAIC #20990)
Country Preferred Insurance Company (NAIC #21008)
Country Casualty Insurance Company (NAIC #20982)
Country Life Insurance Company (NAIC #62553); and
Country Investors Life Assurance Company (NAIC #94218)

LOCATION OF EXAM: Remote
1701 Towanda Avenue
Bloomington, IL 61701

PERIOD COVERED BY EXAMINATION: April 1, 2021, through March 31, 2022
(Complaints were reviewed for the period
October 1, 2020, through March 31, 2022)

EXAMINERS: Craig L. Leonard, CIE, CPCU, CCP, FLMI, ARC, AIAF,
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I. SUMMARY

A comprehensive market conduct examination of Country Mutual Insurance Company (NAIC #20990), Country Preferred Insurance Company (NAIC #21008), Country Casualty Insurance Company (NAIC #20982), Country Life Insurance Company (NAIC #62553), and Country Investors Life Assurance Company (NAIC #94218), (herein referred to as “Companies”) was performed to determine compliance with Illinois Statutes and the Illinois Administrative Code.

The Property and Casualty lines of business under review included Private Passenger Automobile (“PPA”), Motorcycle (“MC”), Homeowners (“HO”), Dwelling Fire (“DF”), Mobile Home (“MH”), and Workers’ Compensation (“WC”). The Life and Annuity lines of business included Individual Life Insurance and Individual Annuity coverages.

The following represents general findings from issued criticisms; however, specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
1	50 Ill. Adm. Code 1406.80(b)	Underwriting and Rating – New Life Issued: Companies failed to obtain the Consumer’s dated signature on the Basic Illustration.	C.13.	116	1	0.90%
2	50 Ill. Adm. Code 1406.80(a)	Underwriting and Rating – New Life Issued: Companies failed to obtain the Consumer’s dated signature on the Revised Illustration.	C.13.	116	1	0.90%
7	215 ILCS 5/462b	Underwriting and Rating – Workers’ Compensation Renewals: Companies failed to update the experience modification factor from the prior policy term.	C.12.	116	5	4.30%
8	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to send a written explanation for the delay to the insured.	E.1.	109	4	3.70%
9	50 Ill. Adm. Code 919.50(a)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to offer payment within 30 days after affirmation of liability when the claim was not in dispute and the payee was known.	E.1.	109	1	0.90%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
11	50 Ill. Adm. Code 919.80(c)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss.	E.1.	109	2	1.80%
12	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the delay.	E.1.	109	1	0.90%
13	215 ILCS 5/154.6(c)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to promptly investigate a claim by failing to timely request a police report.	E.1.	109	1	0.90%
16	215 ILCS 5/132(2) 215 ILCS 5/133(2)	Risk Selection – Private Passenger Automobile Cancellations less than 60 days: Companies failed to retain and provide a copy of the insured’s request to cancel the policy.	D.1.	115	9	7.80%
21	215 ILCS 5/143.23	Risk Selection – Workers’ Compensation Cancellations greater than 60 days: Companies failed to include the notice of the right to appeal the cancellation in the cancellation notice.	D.18.	114	1	0.90%
23	50 Ill. Adm. Code 919.30(c)	Claims – Private Passenger Automobile First-Party Paid: Companies failed to provide detailed documentation of all contacts with the insured in order to permit reconstruction of the Companies’ activities related to the claim.	E.1.	109	2	1.80%
25 and 126	50 Ill. Adm. Code 917.60(b) (1)	Risk Selection – Life External Replacements: Producer failed to provide the contract number, which was to be replaced, to the existing insurer in the Notice Regarding Replacement.	D.24.	84	21	25.0%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
26	50 Ill. Adm. Code 917.70(a)	Risk Selection – Life External Replacements: Companies failed to require the Producer to provide a signed statement as to whether or not such insurance will replace existing life insurance.	D.24.	84	2	2.40%
27 and 120	50 Ill. Adm. Code 917.70(c)	Risk Selection – Life External Replacements: Companies failed to provide the existing insurer with account numbers in the Notice Regarding Proposed Replacement.	D.24.	84	1	1.19%
29	50 Ill. Adm. Code 917.70(c)	Risk Selection – Life External Replacements: Companies failed to provide existing insurer with the Notice of Proposed Replacement within 3 working days after receipt of the application.	D.24.	84	7	8.30%
33	50 Ill. Adm. Code 919.50(a) (1)	Claims – Private Passenger Automobile First-Party Closed Without Payment: Companies failed to include the Notice of Availability of the Department of Insurance in the denial letter.	E.2.	109	3	2.80%
35	50 Ill. Adm. Code 919.50a(1)	Claims – Homeowners Paid: failed to provide the Notice of Availability of the Department of Insurance.	E.10.	109	1	0.90%
36	215 ILCS 5/154.6	Complaint Handling – Department of Insurance Complaints: Companies failed to respond to inquiries from the claimant and the public adjuster with reasonable promptness.	A.1.	112	1	0.90%

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Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
37	215 ILCS 5/154.6, and 50 Ill. Adm. Code 919.50(a)	Complaint Handling – Department of Insurance Complaints: Companies failed to retain all claims-related correspondence; failed to acknowledge with reasonable promptness receipt of the insured’s proof of loss; failed to offer payment within 30 days after affirmation of liability; and acknowledged in their response to the DOI after a complaint was filed by the insured that they failed to communicate the reasons(s) why payment was delayed.	A.1.	112	1	0.90%
38	215 ILCS 5/143a-2(2)	Underwriting and Rating – Private Passenger Automobile Renewals: Companies failed to provide evidence the insured signed a rejection of Uninsured/Underinsured Motorist limits equal to the Bodily Injury Liability limits and selected lower Uninsured Motorist limits.	C.2.	184	1	0.50%
44, 64, and 69	50 Ill. Adm. Code 919.50(a) (1)	Claims – Homeowners Closed Without Payment: Companies failed to provide the insured a reasonable written explanation of the basis of the denial.	E.11.	109	3	2.80%
45	215 ILCS 5/143.15	Risk Selection – Homeowners Cancellations less than 60 days: Companies failed to provide the insured with the cancellation notice at least 30 days prior to the effective date of cancellation.	D.8.	114	1	0.90%
47 and 66	50 Ill. Adm. Code 919.30(c)	Claims – Homeowners Paid: Companies failed to properly document the claim file.	E.10.	109	9	8.30%
48	50 Ill. Adm. Code 1406.80(a) (2)	Underwriting and Rating – New Life Issued: Companies failed to provide the Consumer with an illustration that conformed to the issued policy.	C.13.	116	1	0.90%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
49	50 Ill. Adm. Code 1406.80(a) (2)	Underwriting and Rating – New Life Issued: Producer failed to label two illustrations as “Revised Illustrations.”	C.13.	116	1	0.90%
51	50 Ill. Adm. Code 919.50(a) (1)	Claims – Homeowners Paid: Companies failed to clearly set forth the policy limitation upon which the denial was based.	E.10.	109	1	0.90%
52	820 ILCS 305/8.2(d) (3)	Claims – Workers’ Compensation Paid: Companies failed to issue payment to a provider within 30 days of receiving a valid bill and interest was not paid for the delayed payment.	E.16.	105	17	16.20%
53 and 73	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile First-Party Closed Without Payment: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the delay.	E.2.	109	3	2.80%
54	50 Ill. Adm. Code 919.30(c)	Claims – Private Passenger Automobile First-Party Closed Without Payment: Companies failed to provide detailed documentation in order to permit reconstruction of the Companies’ activities relative to the claim file.	E.2.	109	37	33.94%
55, 57, and 103	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile First-Party Closed Without Payment: Companies failed to send a timely written explanation for the delay.	E.2.	109	6	5.50%
56	50 Ill. Adm. Code 919.50(a) (1)	Claims – Private Passenger Automobile First-Party Closed Without Payment: Companies failed to provide the insured with a reasonable written explanation of the basis for the denial of the claim.	E.2.	109	1	0.90%
61	215 ILCS 5/154.6(n)	Claims – Workers’ Compensation Closed Without Payment: Companies failed to provide written notification to the insureds and providers explaining the basis for the denial.	E.17.	92	3	3.26%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
62 and 101	50 Ill. Adm. Code 919.50(a) (1)	Claims – Homeowners Closed Without Payment: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation of the denial.	E.11.	109	17	15.6%
63	215 ILCS 5/154.6(b)	Claims – Homeowners Paid: Companies failed to acknowledge pertinent communications with respect to the claim.	E.10.	109	2	1.80%
65 and 71	50 Ill. Adm. Code 919.30(c)	Claims – Homeowners Closed Without Payment: Companies failed to properly document the claim file to support the claim investigation.	E.11.	109	4	3.70%
67	215 ILCS 5/154.6(d)	Claims – Homeowners Paid: Companies failed to apply the overage on the tree debris removal limit to the policy deductible.	E.10.	109	1	0.90%
68 and 100	215 ILCS 5/154.6(b)	Claims – Homeowners Closed Without Payment: Companies failed to respond to pertinent communications with respect to claims.	E.11.	109	2	1.80%
70	215 ILCS 5/154.6(d)	Claims – Homeowners Closed Without Payment: Companies failed to apply the proper policy deductible to the claim.	E.11.	109	1	0.90%
75	215 ILCS 5/143.14(a)	Risk Selection – Homeowners Cancellations less than 60 days: Companies failed to maintain the proof of mailing of the cancellation notice for cancellations due to non-payment of premiums or underwriting reasons.	D.8.	114	1	0.90 %
79	215 ILCS 5/143.19.1 (g)	Risk Selection – Private Passenger Automobile Nonrenewed: Companies failed to give the insured at least 60 days’ notice of its intention not to renew coverage.	D.3.	113	1	0.90%
82	50 Ill. Adm. Code 919.50(a) (1)	Claims – Homeowners Closed Without Payment: Companies failed to send a proper coverage denial letter.	E.11.	109	1	0.90%

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Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
83, 93, and 106	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile Total Loss: Companies failed to provide the Notice of Availability of the Department of Insurance in the written explanation for the delay.	E.3.	109	7	6.40%
84	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile Total Loss: Companies failed to send a written explanation for the delay to the insured.	E.3.	109	6	5.50%
85 and 108	50 Ill. Adm. Code 919.80(b) (2)	Claims – Private Passenger Automobile Total Loss: Companies failed to send a timely written explanation for the delay to the insured.	E.3.	109	2	1.80%
86	50 Ill. Adm. Code 919.80(c)	Claims – Private Passenger Automobile Total Loss: Companies failed to provide the insured with the information contained in Exhibit A within 7 days of determining the vehicle was a total loss.	E.3.	109	2	1.80%
87	215 ILCS 5/143.14(a)	Risk Selection – Private Passenger Automobile Cancellations greater than 60 days: Companies failed to maintain the proof of mailing of the cancellation notice sent for non-pay cancellations.	D.2.	184	1	0.50%
89	215 ILCS 5/805.1(a)	Underwriting and Rating – Mobile Home Renewals: Companies failed to obtain Mine Subsidence Waivers for those properties where coverage or a signed waiver is required.	C.10.	114	57	50.00%
90	50 Ill. Adm. Code 919.70(a) (2)	Claims – Life Insurance Denied: Companies failed to provide the beneficiary with a compliant reasonable written explanation for the delay when the claim remained unresolved for 45 days.	E.20.	1	1	100.00%
91	215 ILCS 5/143.21.1	Risk Selection – Homeowners Nonrenewed: Companies failed to give at least 60 days’ notice of its intention not to renew the policy.	D.10.	114	1	0.90%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
94	215 ILCS 5/154.6(b)	Claims – Private Passenger Automobile Third-Party Paid: Companies failed to acknowledge pertinent communications with respect to the claim.	E.4.	109	1	0.90%
96	215 ILCS 5/154.6(c)	Claims – Private Passenger Automobile Third-Party Paid: Companies failed to issue payment under the correct exposure or failed to send correspondence to the proper party.	E.4.	109	2	1.80%
102	215 ILCS 5/143.23	Risk Selection – Private Passenger Automobile Nonrenewed: Companies failed to include the notice of the right to appeal in the nonrenewal notice.	D.3.	113	1	0.90%
107	50 Ill. Adm. Code 919.80(c)	Claims – Private Passenger Automobile Total Loss: Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss.	E.3.	109	24	22.00%
111	215 ILCS 5/143.21c	Underwriting and Rating – Mobile Home New Business: Companies failed to maintain evidence that it provided to the applicant notice of the availability of insurance for loss caused by earthquake.	C.9.	65	6	9.20%
114	50 Ill. Adm. Code 1406.80(a) (1)	Risk Selection – Life Internal Replacements: Companies failed to require that the applicant sign the Basic Illustration.	D.23.	114	1	0.90%
116	215 ILCS 5/805.1(a)	Underwriting and Rating – Mobile Home New Business: Companies failed to obtain Mine Subsidence Waivers for properties where coverage or a signed waiver is required.	C.9.	65	30	46.20%
117	50 Ill. Adm. Code 1406.40(c)	Risk Selection – Life External Replacements: Companies failed to submit acknowledgments regarding the basic illustrations and incorrectly identified an illustration as a “Revised Illustration.”	D.24.	84	2	2.38%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
118	50 Ill. Adm. Code 917.70(b)	Risk Selection – Life External Replacements: Companies failed to require that the Producer provide account numbers in the Notice Regarding Replacement.	D.24.	84	1	1.19%
119	50 Ill. Adm. Code 1406.80(b) (1)	Risk Selection – Life External Replacements: Companies failed to receive either a Basic Illustration or an acknowledgment from the Consumer and a certification from the Producer relating to an illustration not being used at the time of sale.	D.24.	84	2	2.38%
121	50 Ill. Adm. Code 917.70(a)	Risk Selection – Life External Replacements: Companies failed to require statements from the applicant as to whether a replacement will be involved in the transaction.	D.24.	84	3	3.60%
124	215 ILCS 5/224(2) and 50 Ill. Adm. Code 930.40(i)(2)	Risk Selection – Life External Replacements: Companies failed to send the existing insurer the mandated policy summary when the replacement of a life insurance policy involved a 1035 exchange.	D.24.	84	8	9.50%
125	50 Ill. Adm. Code 1406.80(b) (1)	Risk Selection – Life External Replacements: Companies failed to obtain the applicant’s acknowledgement that no illustration conforming to the policy applied for was provided and acknowledge an understanding that an illustration conforming to the policy as issued will be provided no later than at the time of policy delivery.	D.24.	84	2	2.38%
128	50 Ill. Adm. Code 917.60(b) (1)	Risk Selection – Life External Replacements: Producer failed to provide the applicant with the Notice Regarding Replacement at the time of taking the application.	D.24.	84	2	2.40%
129	50 Ill. Adm. Code 917.60(b) (2)	Risk Selection – Life External Replacements: Producer failed to submit to the replacing insurer the Notice Regarding Replacement with the application.	D.24.	84	1	1.20%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
130	50 Ill. Adm. Code 1406.80(b) (1)	Risk Selection – Life External Replacements: Producer failed to certify that an illustration was not used at the time the policy was sold.	D.24.	84	2	2.38%
132	50 Ill. Admin Code 1406.80(a) (2)	Risk Selection – Life External Replacements: Companies failed to identify illustrations submitted after the Basic Illustration as “Revised Illustrations.”	D.24.	84	1	1.20%
133	215 ILCS 5/244(2)	Risk Selection – Life External Replacements: Companies failed to send the existing insurer the policy summary within three (3) working days after the replacement was issued.	D.24.	84	9	10.7%
135	215 ILCS 5/133(2)	Underwriting and Rating – Mobile Home Renewals: Companies failed to maintain the new declarations page with the new effective date, and therefore failed to preserve and reproduce its original books and records.	C.10.	114	103	90.40%
137	215 ILCS 5/154.6(d)	Claims – Private Passenger Automobile Third-Party Paid: Companies failed to pay the right amount for the claim.	E.4.	109	1	0.90%
138	50 Ill. Adm. Code 919.30(c)	Claims – Private Passenger Automobile Third-Party Paid: Companies failed to maintain proper file documentation.	E.4.	109	4	3.70%
140	50 Ill. Adm. Code 919.50(a) (1)	Claims – Dwelling Fire Paid: Companies failed to include the Notice of Availability of the Department of Insurance in the denial letter.	E.12.	107	11	10.3%
141 and 154	215 ILCS 5/154.6(b)	Claims – Dwelling Fire Paid: Companies failed to acknowledge with reasonable promptness pertinent communications with respect to claims.	E.12.	107	2	1.90%
142 and 153	50 Ill. Adm. Code 919.30(c)	Claims – Dwelling Fire Paid: Companies failed to properly document the claim file.	E.12.	107	3	2.80%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
143	215 ILCS 5/154.6(c)	Claims – Dwelling Fire Paid: Companies failed to conduct a proper claims investigation.	E.12.	107	1	0.93%
146	215 ILCS 5/154.6(c)	Claims – Private Passenger Automobile Third-Party Closed Without Payment: Companies failed to contact the third-party claimant in order to investigate the claim.	E.5.	109	1	0.90%
148	50 Ill. Adm. Code 3120.50(e) (1)	Underwriting and Rating – New Annuity Issued: Agent failed to make a record of any recommendation subject to Section 3120.50(a).	C.14.	49	22	44.90%
156	50 Ill. Adm. Code 917.60(a) (1)	Risk Selection – Life External Replacements: Producer failed to submit to the Companies an accurately signed statement by the applicant as to whether or not the existing policy would be replaced.	D.24.	84	2	2.38%
157	215 ILCS 5/133(2)	Risk Selection – Mobile Home Cancellations greater than 60 days: Companies failed to maintain the new declarations page with the new effective date, and therefore failed to preserve and reproduce its original books and records.	D.15.	84	24	28.60%
158	215 ILCS 5/143.15	Risk Selection – Mobile Home Cancellations greater than 60 days: Companies failed to send notice of cancellation to the insured for non-payment of premium.	D.15.	84	1	1.20%
159	215 ILCS 5/143.14(a)	Risk Selection – Mobile Home Cancellations greater than 60 days: Companies failed to send notice of cancellation to the mortgagee.	D.15.	84	11	13.10%
161	215 ILCS 5/143.14(a)	Risk Selection – Mobile Home Cancellations greater than 60 days: Companies failed to maintain proof of mailing of the cancellation notice sent to the insured for non-payment of premium.	D.15.	84	1	1.20%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
162	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners Renewals: Companies failed to comply with its filed rates by applying the incorrect Public Protection Classification code.	C.6.	184	5	2.70%
163	215 ILCS 5/805.1(a)	Underwriting and Rating – Dwelling Fire New Business: Companies failed to provide coverage or a signed Mine Subsidence waiver.	C.7.	115	1	0.90%
164	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Motorcycle New Business: Companies’ rule fails to define which credit-based insurance score will be used when scores are secured for an application with multiple insureds.	C.3.	113	n/a	n/a
165	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Motorcycle New Business: Companies failed to file the mapping structure used to convert the insurance scores to the classifications necessary to rate policies.	C.3.	113	n/a	n/a
166	215 ILCS 5/133	Underwriting and Rating – Private Passenger Automobile New Business: Companies failed to maintain applications.	C.1.	116	4	3.40%
167	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Private Passenger Automobile New Business: Companies’ rule fails to define which credit-based insurance score will be used when scores are secured for an application with multiple insureds.	C.1.	116	n/a	n/a
168	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Private Passenger Automobile New Business: Companies failed to file the mapping structure used to convert the insurance scores to the classifications necessary to rate policies.	C.1.	116	n/a	n/a
169	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Motorcycle New Business: Companies established motorcycle symbols based upon a procedure that had not been filed.	C.3.	113	103	91.20%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
172	215 ILCS 5/143b and 50 Ill. Adm. Code Section 919.50a	Claims – Private Passenger Automobile Subrogation: Companies failed to refund the deductible to the insured as soon as the subrogation amount was received.	E.6.	108	23	21.30%
173	50 Ill. Adm. Code 919.30(c)	Claims – Mobile Home Paid: Companies failed to maintain supporting evidence pertaining to the issued payment.	E.14.	60	1	1.70%
174	50 Ill. Adm. Code 919.50(a) (1)	Claims – Private Passenger Automobile Litigated: Companies failed to include the Notice of Availability of the Department of Insurance in the denial letter.	E.7.	107	1	0.90%
176	50 Ill. Adm. Code 919.80(b) (3)	Claims – Private Passenger Automobile Litigated: Companies failed to send a written explanation for the delay of a property damage liability claim which remained unresolved for more than 60 days.	E.7.	107	2	1.90%
178	215 ILCS 5/154.6(c)	Claims – Private Passenger Automobile Litigated: Companies failed to request the police report in a timely manner for the prompt investigation of the claim.	E.7.	107	1	0.90%
179	50 Ill. Adm. Code 919.80(b) (3)	Claims – Private Passenger Automobile Litigated: Companies failed to send a timely written explanation for the delay to the third-party claimant.	E.7.	107	2	1.90%
180	50 Ill. Adm. Code 919.50(a) (1) and (2)	Claims – Private Passenger Automobile Third-Party Closed Without Payment: Companies failed to provide the first party a reasonable written explanation of the basis of the denial.	E.5.	109	1	0.90%
182	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Mobile Home New Business: Companies failed to include the extra fire department charge as filed.	C.9.	65	1	1.50%

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Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
183	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Mobile Home New Business: Companies failed to utilize the correct rates by using different data than what was shown on the application and declarations page.	C.9.	65	1	1.50%
184	215 ILCS 5/154.6(d)	Claims – Mobile Home Paid: Companies failed to follow its own claims procedures by depreciating labor when calculating actual cash value on a Mobile Home claim when the policy language does not explicitly state that labor is included in depreciation.	E.14.	60	15	25.00%
185	50 Ill. Adm. Code 919.50(a) (1)	Claims – Dwelling Fire Closed Without Payment: Companies failed to include the one-year statute of limitations for presenting a claim and/or the Notice of Availability of the Department of Insurance.	E.13.	105	16	15.20%
186 and 208	50 Ill. Adm. Code 919.30(c)	Claims – Dwelling Fire Closed Without Payment: Companies failed to properly document the claim file.	E.13.	105	9	8.60%
188	50 Ill. Adm. Code 919.80(b) (2)	Claims – Motorcycle Closed Without Payment: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the delay.	E.9.	20	1	5.00%
189	50 Ill. Adm. Code 919.50(a) (1)	Claims – Motorcycle Closed Without Payment: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the denial.	E.9.	20	2	10.00%
190	50 Ill. Adm. Code 919.30(c)	Claims – Motorcycle Closed Without Payment: Companies failed to provide detailed documentation in order to permit reconstruction of the Companies' activities relative to the claim.	E.9.	20	5	25.00%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
191	50 Ill. Adm. Code 919.80(b) (2)	Claims – Motorcycle Closed Without Payment: Companies failed to send to the insured a written explanation for the delay of a claim which remained unresolved for more than 40 days.	E.9.	20	2	10.00%
195	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Dwelling Fire New Business: Companies utilized an unfiled base rate for the premium development for Coverage E – Personal Liability.	C.7.	115	78	67.80%
196	215 ILCS 5/133	Underwriting and Rating – Dwelling Fire New Business: Companies failed to maintain applications.	C.7.	115	19	16.50%
197	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Private Passenger Automobile New Business: Companies failed to use filed Uninsured Motorist Property Damage territory relativities, resulting in undercharges for the impacted policies.	C.1.	116	3	2.60%
198	215 ILCS 5/154.6(c)	Claims – Life Insurance Paid: Companies failed to implement reasonable standards for the prompt investigation of claims by not communicating with the beneficiaries within 21 working days following the notice of death.	E.18.	109	5	4.59%
200	215 ILCS 5/154.6(o)	Claims – Life Insurance Paid: Companies failed to provide claim forms within 15 working days of a request and without any explanation to the beneficiary.	E.18.	109	2	1.83%
203	50 Ill. Adm. Code 919.70(a) (2)	Claims – Life Insurance Paid: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the delay.	E.18.	109	2	1.80%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
207	50 Ill. Adm. Code 919.50(a) (1)	Claims – Dwelling Fire Closed Without Payment: Companies failed to send a complete denial, clearly communicate the reason for the denial, or send a denial letter.	E.13.	105	5	4.80%
209 and 238	50 Ill. Adm. Code 919.80(b) (2)	Claims – Motorcycle Paid: Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation of the delay.	E.8.	76	14	18.40%
210	50 Ill. Adm. Code 919.30(c)	Claims – Motorcycle Paid: Companies failed to provide detailed documentation in order to permit reconstruction of the activities relative to the claim.	E.8.	76	2	2.60%
211 and 239	50 Ill. Adm. Code 919.80(b) (2)	Claims – Motorcycle Paid: Companies failed to send a written explanation for the delay to the insured.	E.8.	76	7	9.20%
212	50 Ill. Adm. Code 919.80(c)	Claims – Motorcycle Paid: Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss.	E.8.	76	9	11.80%
214	50 Ill. Adm. Code 919.80(b) (2)	Claims – Motorcycle Paid: Companies failed to send a timely written explanation of the delay to the insured.	E.8.	76	5	6.60%
217	215 ILCS 5/133	Underwriting and Rating – Homeowners New Business: Companies failed to maintain applications.	C.5.	116	13	11.20%
218	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners New Business: Companies failed to comply with its filed rates by not applying the correct experience rating factor.	C.5.	116	1	0.90%
219	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners New Business: Companies’ rule fails to define which credit-based insurance score will be used when scores are secured for an application with multiple insureds.	C.5.	116	n/a	n/a

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
220	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners New Business: Companies failed to comply with having a filed personal liability base rate.	C.5.	116	116	100.00%
222	215 ILCS 5/154.6(c)	Claims – Annuity Paid: Companies failed to communicate with beneficiaries within 21 working days after notification of loss.	E.19.	105	4	3.81%
223	50 Ill. Adm Code 919.40	Claims – Annuity Paid: Companies failed to communicate with proper documentation with the beneficiary explanation as to how the proceeds were calculated and the amount of interest added.	E.19.	105	48	45.70%
226	50 Ill. Adm. Code 919.40	Claims – Annuity Paid: Companies failed to provide detailed documentation that would allow the examiners to reconstruct the pertinent events and processing activities relative to the claim.	E.19.	105	82	78.10%
227	215 ILCS 5/154.6(o)	Claims – Annuity Paid: Companies failed to provide, within 15 working days of receiving notice of death, the claim forms and an explanation of the forms.	E.19.	105	10	9.5%
228	50 Ill. Adm. Code 919.70(a) (1)(E)	Claims – Annuity Paid: Companies failed to maintain claim records demonstrating that for every claim filed, an inquiry was made as to other names the insured may have been known.	E.19.	105	105	100.00%
229	50 Ill. Adm. Code 919.70(a) (1)(A) and 919.70(a) (1)(F)	Claims – Annuity Paid: Companies failed to demonstrate that upon submission of a death claim form, a search was conducted for other policies on the decedent’s life, which was an improper claims practice.	E.19.	105	105	100.00%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
231	50 Ill. Adm. Code 919.70(a) (2)	Claims – Annuity Paid: Companies failed to provide the beneficiary with a reasonable written explanation for the delay, which was an improper claims practice.	E.19.	105	36	34.29%
232	215 ILCS 5/143a-2	Underwriting and Rating – Motorcycle New Business: Companies failed to provide evidence insureds were advised of the right to reject uninsured/underinsured motorist coverage in excess of the minimum limits as required by law.	C.3.	113	101	89.40%
233	215 ILCS 5/143a-2	Underwriting and Rating – Private Passenger Automobile New Business: Companies failed to provide evidence insureds were advised of the right to reject uninsured/underinsured motorist coverage in excess of the minimum limits as required by law.	C.1.	116	111	95.70%
236	215 ILCS 5/234(1)	Risk Selection – Life Non-Forfeitures: Companies sent the premium due notice less than 15 days prior to the premium due date.	D.20.	114	5	4.39%
240	50 Ill. Adm. Code 919.80(c)	Claims – Motorcycle Paid: Companies failed to provide the insured with the information contained in Exhibit A within 7 days of when the insured vehicle was deemed a total loss.	E.8.	76	2	2.60%
241	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Motorcycle New Business: Companies failed to apply an advance quote discount to an eligible policy.	C.3.	113	1	0.90%
242	50 Ill. Adm. Code 754.10(b)	Underwriting and Rating – Private Passenger Automobile New Business: Companies failed to apply an advance quote discount to an eligible policy.	C.1.	116	1	0.90%

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/ Rule	Description of Violation	Findings	Reviewed	Violations	Error %
243	50 Ill. Adm. Code 919.40	Claims – Life Insurance Paid: Companies failed to provide detailed documentation that would allow the examiners to reconstruct the pertinent events and processing activities relative to the claim.	E.18.	109	42	38.50%
244	50 Ill. Adm. Code 919.30(c)	Claims – Life Insurance Paid: Companies failed to maintain detailed documentation relating to requirements, in the claim file, that would allow the examiner to reconstruct the pertinent events and processing activities relative to the claim file.	E.18.	109	16	14.70%
245	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Dwelling Fire New Business: Companies failed to comply with its filed rates by applying the incorrect Number of Rental Dwellings factor.	C.7.	115	1	0.90%
246	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Dwelling Fire New Business: Companies failed to comply with its filed rates by applying the incorrect Public Protection Classification code.	C.7.	115	2	1.70%
247	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Dwelling Fire New Business: Companies failed to comply with its filed rates by applying the incorrect Roof Type factor.	C.7.	115	1	0.90%
248	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners New Business: Companies failed to comply with its filed rates by not applying the correct rate class factor.	C.5.	116	1	0.90%
249	50 Ill. Adm. Code 754.10(b) (1)	Underwriting and Rating – Homeowners New Business: Companies failed to comply with its filed rates by not applying the correct Public Protection classification.	C.5.	116	1	0.90%
252	215 ILCS 5/234(1)	Risk Selection – Life Lapsed: Companies failed to send the premium due notice at least 15 days, but not more than 45 days, prior to the premium due date.	D.22.	116	4	3.40%

II. BACKGROUND

The examination is of Country Mutual Insurance Company (NAIC #20990), Country Preferred Insurance Company (NAIC #21008), Country Casualty Insurance Company (NAIC #20982), Country Life Insurance Company (NAIC #62553), and Country Investors Life Assurance Company (NAIC #94218), (herein referred to as “Companies”).

In 1925, a group of Illinois farmers formed COUNTRY Mutual Insurance Company to address the complicated fire and casualty risks associated with the industry. This company was domiciled in Chicago, Illinois. In 1927, a second insurance company was formed to write automobile insurance. These first two companies merged in 1957 and became COUNTRY Mutual Insurance Company. In 1961, the home offices of Illinois Agricultural Association and COUNTRY Financial were relocated to their current location in Bloomington, Illinois. In 1964, COUNTRY Casualty Insurance Company was formed to write hail insurance for farmers. Through a series of alliances and company expansion into additional states, the property/casualty offerings grew across the United States to serve others outside agriculture.

In 1928, COUNTRY Life was formed to provide a solution to farmers who were having a challenging time finding life insurance. In 1981, COUNTRY Investors was formed and is a subsidiary of COUNTRY Life.

As of December 31, 2021, the Companies’ written premiums in Illinois for the lines of business subject to the scope of this examination were as follows:

Country Mutual Insurance Company						
Line of Business	Direct Premiums Written (\$)	Direct Premiums Earned (\$)	Direct Unearned Premium (\$)	Direct Losses Paid (\$)	Direct Losses Incurred (\$)	Direct Losses Unpaid (\$)
Fire	301,078	288,646	154,053	95,262	81,749	4,111
Homeowners Multiple Peril	352,180,965	340,617,082	179,238,808	177,247,102	173,183,246	85,600,505
Workers’ Compensation	57,058,387	56,442,885	24,117,918	26,841,576	26,155,309	130,850,537
Private Passenger Automobile Liability	67,381,241	68,109,287	16,797,687	45,269,634	51,529,188	72,175,070
Private Passenger Automobile Physical Damage	79,204,059	78,887,918	19,933,732	42,684,207	42,647,655	1,849,181
Totals	556,125,730	544,345,818	240,242,198	292,137,781	293,597,147	290,479,404

Country Preferred Insurance Company						
Line of Business	Direct Premiums Written (\$)	Direct Premiums Earned (\$)	Direct Unearned Premium (\$)	Direct Losses Paid (\$)	Direct Losses Incurred (\$)	Direct Losses Unpaid (\$)
Fire	35	52	16	27	11	0
Homeowners Multiple Peril	268,429	279,679	64,126	23,665	52,859	373,655
Workers’ Compensation	0	0	0	0	0	0
Private Passenger Automobile Liability	194,581,472	195,003,796	48,719,764	110,945,534	130,596,255	162,398,177
Private Passenger Automobile Physical Damage	186,519,596	185,159,670	47,139,935	110,937,351	111,122,271	1,201,648
Totals	381,369,532	380,443,197	95,923,841	221,906,577	241,771,396	163,973,480

Country Casualty Insurance Company						
Line of Business	Direct Premiums Written (\$)	Direct Premiums Earned (\$)	Direct Unearned Premium (\$)	Direct Losses Paid (\$)	Direct Losses Incurred (\$)	Direct Losses Unpaid (\$)
Fire	1,643,123	1,643,306	181	1,896,435	2,045,823	1,376,410
Homeowners	3,359,050	3,438,127	1,667,406	1,791,981	1,871,647	1,428,375
Workers' Compensation	0	0	0	0	0	9,380
Private Passenger Automobile Liability	4,080,647	4,165,445	1,049,653	3,245,147	2,765,548	3,610,849
Private Passenger Automobile Physical Damage	2,529,943	2,556,771	656,402	1,944,227	1,918,453	59,709
Totals	11,612,763	11,803,649	3,373,642	8,877,790	8,601,471	6,484,723

Country Life Insurance Company					
Direct Premiums and Annuity Considerations	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
Life Insurance	209,689,051	0	2,531,581	0	212,220,632
Annuity considerations	4,111	0	0	0	4,111
Deposit-type contract funds	0	0	431,985,438	0	431,985,438
Other considerations	0	0	0	0	0
Totals	209,693,162	0	434,517,020	0	644,210,182

Country Investors Life Assurance Company					
Direct Premiums and Annuity Considerations	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
Life Insurance	16,134,232	0	0	0	16,134,232
Annuity considerations	40,559,725	0	0	0	40,559,725
Deposit-type contract funds	180,000	0	0	0	180,000
Other considerations	0	0	0	0	0
Totals	56,873,958	0	0	0	56,873,958

III. METHODOLOGY

The market conduct examination places emphasis on an insurer's systems, procedures and guidelines used in dealing with insureds and claimants. Other than for the reviews of Complaints, the period under review was April 1, 2021, through March 31, 2022. The following categories were the areas examined:

- A. Operations and Management
- B. Complaint Handling
- C. Marketing and Sales
- D. Underwriting and Rating
- E. Risk Selection
- F. Claims
- G. Producer Licensing

The review of these categories was accomplished through examination of individual policy and claim files, the Companies' procedures, written interrogatories, and interviews with the Companies' personnel. Each category was examined for compliance with Illinois Department of Insurance ("DOI") rules and regulations, and applicable state laws.

Criticisms were provided to the Companies addressing violations discovered in the review processes. All valid criticisms were incorporated into this report.

The following methods were used to obtain the required samples and to assure a statistically accurate and methodical selection. The samples were developed from data provided by the Companies. The sample size was based on the most recent NAIC Market Regulation Handbook. Random samples were generated using Audit Command Language ("ACL") software and the selected samples were provided to the Companies for retrieval.

Operations and Management

Operations and Management materials were reviewed to obtain a general understanding of the Companies' operations by reviewing various reports, as well as the Companies policies, plans, and procedures in effect during the examination period.

Profile

This review was conducted to provide the examiners with an overview of the Companies operations, including the management structures of the individual Companies. The examiners reviewed shareholders reports, organizational charts, certificates of authority, independent auditors' reports, codes of regulations, governance documents, previous and current lawsuits, market conduct examinations and financial examinations.

Subcontractor oversight

This review was conducted to ensure the Companies engaged in a realistic level of oversight of subcontractors. The examiners reviewed documents which included Third-Party Administrators agreements, intercompany agreements, agency agreements, certificates of authority and a joint marketing agreement. Agreements were reviewed to ensure compliance with the MGA statutes governing contract content and oversight features. Examiners paid particular attention to a subcontractor's dealings with policyholders and claimants.

Internal Audits

This review was conducted to ensure the Companies had an internal function to readily detect potential market conduct related issues. The examiners reviewed the Companies' policies and guidelines related to internal audits, internal audit reports, as well as the Board of Directors' meeting minutes, annual meeting minutes and executive committee minutes.

Antifraud Initiatives

This review was conducted to ensure that the Companies have antifraud plans which are reasonably calculated to detect, prosecute, and prevent fraudulent insurance acts. The examiners reviewed the Companies' policies, procedures, antifraud plans, quarterly audit reports, and preemployment processes.

Certificates of Authority

This review was conducted to ensure that the Companies' operations conform with the Companies' certificates of authority. The examiners reviewed the certificates of authority provided by the Companies.

Board Minutes

This review was conducted to ensure that the Companies' Board of Directors have proper oversight of the operations and activities of the Companies. The examiners reviewed the Companies' Board of Directors meeting minutes, the executive committee meeting minutes, the annual meeting minutes, external audits, annual financial statements, bylaws, and the individual Companies codes of regulations.

Privacy

This review was conducted to ensure that the Companies have policies, practices and procedures regarding the protection and disclosure of nonpublic financial and personal information of its customers and consumers who are not customers. The examiners reviewed the Companies' privacy program manuals, training, policies, procedures, privacy notices and disclosures.

Complaint Handling

DOI Complaints and Consumer Complaints for the period October 1, 2020, through March 31, 2021, were reviewed for compliance with applicable state laws and the Companies' own guidelines.

DOI Complaints

The population request for this category consisted of complaints received from the DOI during the examination period. The Companies' complaint registry was reconciled with the individual file information and the DOI records to determine the completeness and accuracy of the data recorded. Each complaint file, along with the underlying claim or underwriting file, was reviewed for compliance with regulatory requirements.

Consumer Complaints

The population request for this category consisted of complaints received directly from consumers during the examination period. The Companies' complaint registry was reconciled with the individual file information to determine the completeness and accuracy of the data recorded. Each complaint file, along with the underlying claim or underwriting file, was reviewed for compliance with regulatory requirements.

Marketing and Sales

Marketing and sales materials were reviewed to evaluate the representations made by the Companies about its products or services and for compliance with applicable state laws and the Companies' own guidelines.

The examiners requested the Companies' advertising and marketing manual; procedures for the approval of any advertising developed by brokers or agents; a listing of all advertising and marketing materials used by the Companies during the examination period; and producer training manuals.

The reviews included judgmental sampling from the listing of all advertising and marketing materials provided by the Companies.

Underwriting and Rating

The underwriting samples consisted of new and renewal business for the property and casualty lines of business and new and denied business for the life insurance and annuity lines of business.

The new business samples were randomly selected based on the inception date occurring during the examination period. Policies were reviewed for rating accuracy, use of filed rates, use of filed forms, and for compliance with applicable state laws and the Companies' own guidelines.

The renewal business samples were randomly selected based on the renewal date occurring during the examination period. Policies were reviewed for use of filed rates, use of filed forms, and for compliance with applicable state laws and the Companies' own guidelines.

The life insurance and annuity applications declined samples were randomly selected based on the declination date occurring during the examination period. Policies were reviewed for compliance with applicable state laws and the Companies' own guidelines.

Risk Selection

For the property and casualty lines of business, Cancellations, Nonrenewals and Rescissions were reviewed for compliance with applicable state laws, the Companies' own guidelines, and to ensure reasons for termination were valid and not unfairly discriminatory. Random samples were selected based on transactions occurring during the examination period.

For the life insurance and annuity lines of business, Non-forfeitures, Lapses, Replacements, and Cash Surrenders were reviewed for compliance with applicable state laws and the Companies' own guidelines. Random samples were selected based on transactions occurring during the examination period.

Claims

Claims were selected based on settlement occurring within the examination period. Claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1, et seq.) and the Illinois Administrative Code (50 Ill. Adm. Code 101 et seq.).

For the property and casualty lines of business, separate samples were selected for First-Party and Third-Party claims. For each, separate samples were developed for both paid claims and those closed without payment (“CWP”). In addition, separate reviews were conducted of all total loss, subrogated, and litigated claims.

For the life insurance and annuity lines of business, separate samples were selected for claims paid and denied.

Producer Licensing

The producer licensing samples consisted of one sample for the Private Passenger Automobile and Homeowners lines of business and another sample for the Life Insurance and Annuity lines of business. Random samples were selected based on transactions occurring during the examination period. The records were reviewed for compliance with applicable state laws and the Companies’ own guidelines.

IV. SELECTION OF SAMPLES

A. Complaint Handling		Sample Size	% Reviewed
1.	Department of Insurance Complaints	112	100.00%
2.	Consumer Complaints	113	12.70%
B. Marketing and Sales		Sample Size	% Reviewed
1.	Company-generated Marketing – General	113	18.20%
2.	Company-generated Marketing – Social Media	116	0.30%
3.	Producer-generated Marketing	116	0.60%
4.	Producer Training Materials	73	100.00%
5.	Producer Communications	88	100.00%
C. Underwriting and Rating		Sample Size	% Reviewed
1.	PPA New Business	116	0.60%
2.	PPA Renewals	184	<0.1%
3.	MC New Business	113	14.20%
4.	MC Renewals	116	0.80%
5.	HO New Business	116	0.70%
6.	HO Renewals	184	0.10%
7.	DF New Business	115	3.30%
8.	DF Renewals	116	0.30%
9.	MH New Business	65	100.00%
10.	MH Renewals	114	6.50%
11.	WC New Business	114	7.80%
12.	WC Renewals	116	1.10%
13.	New Life Issued	116	0.90%
14.	New Annuity Issued	49	100.00%
15.	New Life Apps Declined	115	3.00%
16.	New Annuity Business Declined	7	100.00%
D. Risk Selection		Sample Size	% Reviewed
1.	PPA Cancellations – Less than 60 Days	115	5.30%
2.	PPA Cancellations – Greater than 60 Days	184	0.30%
3.	PPA Nonrenewed	113	12.40%
4.	PPA Rescinded	2	100.00%
5.	MC Cancellations – Less than 60 Days	79	43.40%
6.	MC Cancellations – Greater than 60 Days	115	3.10%
7.	MC Cancellations – Nonrenewed	38	100.00%
8.	HO Cancellations – Less than 60 Days	114	7.90%
9.	HO Cancellations – Greater than 60 Days	116	0.40%
10.	HO Nonrenewed	114	8.60%
11.	DF Cancellations – Less than 60 Days	85	18.90%
12.	DF Cancellations – Greater than 60 Days	116	1.10%
13.	DF Nonrenewed	84	29.80%
14.	MH Cancellations – Less than 60 Days	9	100.00%
15.	MH Cancellations – Greater than 60 Days	84	27.70%
16.	MH Nonrenewed	2	100.00%
17.	WC Cancellations – Less than 60 Days	95	100.00%
18.	WC Cancellations – Greater than 60 Days	114	7.20%
19.	WC Nonrenewed	84	29.30%
20.	Life Non-Forfeitures	114	7.40%
21.	Life Rescinded	2	100.00%
22.	Life Lapsed	116	2.00%

D. Risk Selection (continued)		Sample Size	% Reviewed
23.	Life Internal Replacements	114	9.90%
24.	Life External Replacements	84	38.40%
25.	Annuity Internal Replacements	2	100.00%
26.	Life Cash Surrenders	115	3.20%
27.	Annuity Cash Surrenders	113	18.40%
E. Claims		Sample Size	% Reviewed
1.	PPA – First-Party Paid	109	0.30%
2.	PPA – First-Party CWP	109	1.30%
3.	PPA – Total Loss	109	1.70%
4.	PPA – Third-Party Paid	109	1.00%
5.	PPA – Third-Party CWP	109	1.50%
6.	PPA – Subrogation	108	3.00%
7.	PPA – Litigated	107	10.60%
8.	MC – Paid	76	60.80%
9.	MC – CWP	20	100.00%
10.	HO – Paid	109	0.70%
11.	HO – CWP	109	1.80%
12.	DF – Paid	107	6.50%
13.	DF – CWP	105	17.90%
14.	MH – Paid	60	100.00%
15.	MH – CWP	22	100.00%
16.	WC – Paid	105	14.20%
17.	WC – CWP	92	100.00%
18.	Life – Paid	109	2.00%
19.	Annuity – Paid	105	13.50%
20.	Life – Denied	1	100.00%
F. Producer Licensing		Sample Size	% Reviewed
1.	Property and Casualty	113	11.70%
2.	Life and Annuity	113	13.70%

V. FINDINGS

A. Complaint Handling

1. Department of Insurance Complaints

- Crit #036 - In one (1) file (0.9% of the 112 examined), the Companies' claims representative failed to respond to inquiries from the claimant and their public adjuster with reasonable promptness, thereby violating 215 ILCS 5/154.6
- Crit #037 - In one (1) file (0.9% of the 112 examined), the Companies failed to retain all claims-related correspondence; failed to acknowledge with reasonable promptness receipt of the insured's proof of loss; failed to offer payment within 30 days after affirmation of liability; and acknowledged in their response to the DOI after a complaint was filed by the insured that they failed to communicate the reasons(s) why payment was delayed, thereby violating 215 ILCS 5/154.6, and 50 Ill. Adm. Code 919.50(a)

2. Consumer Complaints

- No violations were noted.

B. Marketing and Sales

1. Company-generated Marketing – General

- No violations were noted.

2. Company-generated Marketing – Social media

- No violations were noted.

3. Producer-generated Marketing

- No violations were noted.

4. Producer Training Materials

- No violations were noted.

5. Producer Communications

- No violations were noted.

C. Underwriting and Rating

1. Private Passenger Automobile New Business

- Crit #166 - In four (4) files (3.4% of the 116 examined), the Companies failed to maintain applications, this is a failure to preserve original books and records, thereby violating 215 ILCS 5/133.
- Crit #167 - In general, the Companies utilize insurance scores (CBIS) to determine a classification (CBR Code). The Companies' rule states "credit-based insurance score is derived from the applicant's credit history information provided to us by a third-party vendor." However, the rule does not define which score will be used when scores are secured for an application with multiple insureds. The Companies' procedure is to use the best (resulting in the lowest premium) score available. The lack of the rule's specificity could be interpreted in multiple ways, or the interpretation could change, thereby violating 50 Ill. Adm. Code 754.10(b)
- Crit #168 - In general, the Companies failed to file the mapping structure used to convert the insurance scores (CBIS) to the classifications (CBR Code) necessary to rate policies, thereby violating 50 Ill. Adm. Code 754.10(b)

- Crit #197 - In three (3) files (2.6% of the 116 examined), the Companies failed to use filed Uninsured Motorist Property Damage territory relativities resulting in undercharges for the impacted policies, thereby violating 50 Ill. Adm. Code 754.10(b). This resulted in undercharges totaling \$25.60
 - Crit #233 - In 111 files (95.7% of the 116 examined), the Companies failed to provide evidence insureds were advised of the right to reject uninsured/underinsured motorist coverage in excess of the minimum limits as required by law, thereby violating 215 ILCS 5/143a-2
 - Crit #242 - In one (1) file (0.9% of the 116 examined), the Companies failed to apply an advance quote discount to an eligible policy, thereby violating 50 Ill. Adm. Code 754.10(b). This resulted in an overcharge totaling \$120.92.
2. Private Passenger Automobile Renewals
- Crit #038 - In one (1) file (0.5% of the 184 examined), the Companies failed to provide evidence the insured signed a rejection of Uninsured/Underinsured Motorist limits equal to the Bodily Injury Liability limits and selected lower Uninsured Motorist limits, thereby violating 215 ILCS 5/143a-2(2).
3. Motorcycle New Business
- Crit #164 - In general, the Companies utilize insurance scores (CBIS) to determine a classification (CBR Code). The Companies' rule states "credit-based insurance score is derived from the applicant's credit history information provided to us by a third party vendor." However, the rule does not define which score will be used when scores are secured for an application with multiple insureds. The Companies' procedure is to use the best (resulting in the lowest premium) score available. The lack of the rule's specificity could be interpreted in multiple ways, or the interpretation could change, thereby violating 50 Ill. Adm. Code 754.10(b).
 - Crit #165 - In general, the Companies failed to file the mapping structure used to convert the insurance scores (CBIS) to the classifications (CBR Code) necessary to rate policies, thereby violating 50 Ill. Adm. Code 754.10(b).
 - Crit #169 - In 103 files (91.2% of the 113 examined), the Companies established motorcycle symbols based upon a procedure that had not been filed, thereby violating 50 Ill. Adm. Code 754.10(b).
 - Crit #232 - In 101 files (89.4% of the 113 examined), the Companies failed to provide evidence that insureds were advised of the right to reject uninsured/underinsured motorist coverage in excess of the minimum limits as required by law, thereby violating 215 ILCS 5/143a-2.
 - Crit #241 - In one (1) file (0.9% of the 113 examined), the Companies failed to apply an advance quote discount to an eligible policy, thereby violating 50 Ill. Adm. Code 754.10(b). This resulted in an overcharge totaling \$16.85.
4. Motorcycle Renewals
- No violations were noted.

5. Homeowners New Business

- Crit #217 - In thirteen (13) files (11.2% of the 116 examined), the Companies failed to maintain applications, this is a failure to preserve original books and records, thereby violating 215 ILCS 5/133.
- Crit #218 - In one (1) file (0.9% of the 116 examined), the Companies failed to comply with its filed rates by not applying the correct experience rating factor, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
- Crit #219 - In general, the Companies utilize credit-based insurance scores (CBIS) to determine a classification (CBR Code) which is used in the composite rating factor. The Companies' rule states "credit-based insurance score component is derived from the applicant's credit history information provided to us by a third party vendor." However, the rule does not define which score will be used when scores are secured for an application with multiple insureds. The Companies' procedure is to use the best (resulting in the lowest premium) score available. The lack of the rule's specificity could be interpreted in multiple ways, or the interpretation could change, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
- Crit #220 - In 116 files (100.0% of the 116 examined), Coverage A Liability was rated by the Companies utilizing an unfiled base rate of \$30 for the premium development on this coverage. Therefore, the Companies failed to comply with having a filed personal liability base rate, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
- Crit #248 - In one (1) file (0.9% of the 116 examined), the Companies failed to comply with its filed rates by not applying the correct rate class factor, thereby violating 50 Ill. Adm. Code 754.10(b)(1). This resulted in an undercharge totaling \$1,142.14.
- Crit #249 - In one (1) file (0.9% of the 116 examined), the Companies failed to comply with its filed rates by not applying the correct Public Protection classification, thereby violating 50 Ill. Adm. Code 754.10(b)(1). This resulted in an undercharge totaling \$1,295.59.

6. Homeowners Renewals

- Crit #162 - In five (5) files (2.7% of the 184 examined), the Companies failed to comply with its filed rates by applying the incorrect Public Protection Classification code, thereby violating 50 Ill. Adm. Code 754.10(b)(1).

7. Dwelling Fire New Business

- Crit #163 - In one (1) file (0.9% of the 115 examined), the Companies failed to provide coverage or a signed Mine Subsidence Waiver, thereby violating 215 ILCS 5/805.1(a).
- Crit #195 - In seventy-eight (78) files (67.8% of the 115 examined), where Coverage E - Personal Liability was provided, the Companies utilized an unfiled base rate of \$30 for the premium development on this coverage. Therefore, the Companies failed to comply with having a filed personal liability base rate, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
- Crit #196 - In nineteen (19) files (16.5% of the 115 examined), the Companies failed to maintain applications, the Companies failed to preserve original books and records, thereby violating 215 ILCS 5/133.

- Crit #245 - In one (1) file (0.9% of the 115 examined), the Companies failed to comply with its filed rates by applying the incorrect Number of Rental Dwellings factor, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
 - Crit #246 - In two (2) files (1.7% of the 115 examined), the Companies failed to comply with its filed rates by applying the incorrect Public Protection Classification code, thereby violating 50 Ill. Adm. Code 754.10(b)(1).
 - Crit #247 - In one (1) file (0.9% of the 115 examined), the Companies failed to comply with its filed rates by applying the incorrect Roof Type factor, thereby violating 50 Ill. Adm. Code 754.10(b)(1). This resulted in an overcharge totaling \$83.32.
8. Dwelling Fire Renewals
- No violations were noted.
9. Mobile Home New Business
- Crit #111 - In six (6) files (9.2% of the 65 examined), the Companies failed to maintain evidence that it provided earthquake notice to the applicant, thereby violating 215 ILCS 5/143.21c.
 - Crit #116 - In 30 files (46.2% of the 65 examined), the Companies failed to obtain Mine Subsidence Waivers for those properties where coverage or a signed waiver is required, thereby violating 215 ILCS 5/805.1(a).
 - Crit #182 - In one (1) file (1.5% of the 65 examined), the Companies failed to include the extra fire department charge as filed, thereby violating 50 Ill. Adm. Code 754.10(b)(1). This resulted in an undercharge totaling \$3.75.
 - Crit #183 - In one (1) file (1.5% of the 65 examined), the Companies used different data than shown on the application and declarations page, which resulted in utilizing the wrong rates, thereby violating 50 Ill. Adm. Code 754.10(b)(1). This resulted in an overcharge totaling \$7.75.
10. Mobile Home Renewals
- Crit #089 - In 57 files (50.0% of the 114 examined), the Companies failed to obtain Mine Subsidence Waivers for those properties where coverage or a signed waiver is required, thereby violating 215 ILCS 5/805.1(a).
 - Crit #135 - In 103 files (90.4% of the 114 examined), the Companies failed to maintain the new declarations page with the new effective date showing continuation of coverage, and therefore, it did not preserve and reproduce its original books and records for the purpose of examination, thereby violating 215 ILCS 5/133(2).
11. Workers' Compensation New Business
- No violations were noted.
12. Workers' Compensation Renewals
- Crit # 007 - In five (5) files (4.3% of the 116 examined), the Companies failed to update the experience modification factor from the prior policy term which resulted in premium differences, thereby violating 215 ILCS 5/462b. This resulted in overcharges totaling \$479.00 and undercharges totaling \$704.00 in the sampled files. The Companies provided the examiners evidence of a refund plus interest during the examination.

13. New Life Issued

- Crit #001 - In one (1) file (0.9% of the 116 examined), the Companies failed to obtain the Consumer's dated signature on the Basic Illustration prior to the time of policy delivery, thereby violating 50 Ill. Adm. Code 1406.80(b).
- Crit #002 - In one (1) file (0.9% of the 116 examined), the Companies failed to obtain the Consumer's dated signature on the Revised Illustration on or before the time the policy was delivered, thereby violating 50 Ill. Adm. Code 1406.80(a).
- Crit #048 - In one (1) file (0.9% of the 116 examined), the Companies failed to provide the Consumer with an illustration that conformed to the policy that was issued, thereby violating 50 Ill. Adm. Code 1406.80(a)(2).
- Crit #049 - In one (1) file (0.9% of the 116 examined), following the submission of the application and the conforming Basic Illustration, the Producer submitted two more Basic Illustrations without labeling them as "Revised Illustrations," thereby violating 50 Ill. Adm. Code 1406.80(a)(2).

14. New Annuities Issued

- Crit #148 - In 22 files (44.9% of the 49 examined), the agent failed to make a record of any recommendation subject to Section 3120.50(a), thereby violating 50 Ill. Adm. Code 3120.50(e)(1).

15. New Life Apps Declined

- No violations were noted.

16. New Annuity Business Declined

- No violations were noted.

D. Risk Selection

1. Private Passenger Automobile Cancellations – Less than 60 Days

- Crit #016 - In nine (9) files (7.8% of the 115 examined), the Companies failed to retain and provide a copy of the insured's request to cancel the insurance policy, thereby violating 215 ILCS 5/132(2) and 215 ILCS 5/133(2).

2. Private Passenger Automobile Cancellations – Greater than 60 Days

- Crit #087 - In one (1) file (0.5% of the 184 examined), the Companies failed to maintain proof of mailing of the cancellation notice sent to the insured for Non-pay cancellations, thereby violating 215 ILCS 5/143.14(a).

3. Private Passenger Automobile Nonrenewed

- Crit #079 - In one (1) file (0.9% of the 113 examined), the Companies failed to give the insured, that had coverage effective or renewed for 5 or more years, at least 60 days' notice of its intention to not renew coverage, thereby violating 215 ILCS 5/143.19.1(g).
- Crit #102 - In one (1) file (0.9% of the 113 examined), the notice of nonrenewal sent to the insured did not include the notice of their right to appeal the nonrenewal, thereby violating 215 ILCS 5/143.23.

4. Private Passenger Automobile Rescinded

- No violations were noted.

5. Motorcycle Cancellations – Less than 60 Days

- No violations were noted.

6. Motorcycle Cancellations – Greater than 60 Days

- No violations were noted.
7. Motorcycle Cancellations Nonrenewed
 - No violations were noted.
 8. Homeowners Cancellations – Less than 60 Days
 - Crit #045 - In one (1) file (0.9% of the 114 examined), the Companies failed to provide the named insured with notice of cancellation at least 30 days prior to the effective date of cancellation, thereby violating 215 ILCS 5/143.15.
 - Crit #075 - In one (1) file (0.90% of the 114 examined), the Companies failed to maintain proof of mailing of the cancellation notice sent to the insured for non-payment of premiums or underwriting reasons cancellations, thereby violating 215 ILCS 5/143.14(a).
 9. Homeowners Cancellations – Greater than 60 Days
 - No violations were noted.
 10. Homeowners Nonrenewed
 - Crit #091 - In one (1) file (0.9% of the 114 examined), the Companies failed to give at least 60 days' notice of its intention not to renew on a policy that had been effective for 5 or more years, thereby violating 215 ILCS 5/143.21.1.
 11. Dwelling Fire Cancellations – Less than 60 Days
 - No violations were noted.
 12. Dwelling Fire Cancellations – Greater than 60 Days
 - No violations were noted.
 13. Dwelling Fire Nonrenewed
 - No violations were noted.
 14. Mobile Home Cancellations – Less than 60 Days
 - No violations were noted.
 15. Mobile Home Cancellations – Greater than 60 Days
 - Crit #157 - In 24 files (28.6% of the 84 examined), the Companies failed to maintain the new declarations page with the new effective date showing continuation of coverage, and therefore, it did not preserve and reproduce its original books and records for the purpose of examination, thereby violating 215 ILCS 5/133(2).
 - Crit #158 - In one (1) file (1.2% of the 84 examined), the Companies failed to send notice of cancellation to the insured for non-payment of premium, thereby violating 215 ILCS 5/143.15.
 - Crit #159 - In 11 files (13.1% of the 84 examined), the Companies failed to send notice of cancellation to the mortgagee listed on the declarations located in the file, thereby violating 215 ILCS 5/143.14(a).
 - Crit #161 - In one (1) file (1.2% of the 84 examined), the Companies failed to maintain proof of mailing of the cancellation notice to the insured for non-payment of premium, thereby violating 215 ILCS 5/143.14(a).
 16. Mobile Home Nonrenewed
 - No violations noted.
 17. Workers' Compensation Cancellations – Less than 60 Days
 - No violations were noted.
 18. Workers' Compensation Cancellations – Greater than 60 Days

- Crit #021 - In one (1) file (0.9% of the 114 examined), the Companies failed to provide notice of the Right to Appeal within the cancellation notice, thereby violating 215 ILCS 5/143.23.

19. Workers' Compensation Nonrenewed

- No violations were noted.

20. Life Non-Forfeitures

- Crit #236 - In 5 files (4.39% of the 114 examined), the premium due notice was sent less than 15 days prior to the premium due date, thereby violating Section 215 ILCS 5/234(1).

21. Life Rescinded

- No violations were noted.

22. Life Lapsed

- Crit #252 - In four (4) files (3.4% of the 116 examined), the Companies failed to send the premium due notice at least 15 days, but not more than 45 days prior to the premium due date, thereby violating 215 ILCS 5/234(1).

23. Life Internal Replacements

- Crit #114 - In one (1) file (0.9% of the 114 examined), the Companies failed to require that the applicant sign the Basic Illustration, thereby violating 50 Ill. Adm. Code 1406.80(a)(1).

24. Life External Replacements

- Crit #025 and 126 - In 21 files (25.0% of the 84 examined), the Producer failed to list or to provide the contract number or numbers which were to be replaced to the replacing insurer in the Notice Regarding Replacement of Life Insurance consistent with Exhibit B, thereby violating 50 Ill. Adm. Code 917.60(b)(1).
- Crit #026 - In two (2) files (2.4% of the 84 examined), the Companies failed to require the Producer to provide a signed statement as to whether such insurance will replace existing life insurance, thereby violating of 50 Ill. Adm. Code 917.70(a).
- Crit #027 and 120 - In 1 file (1.19% of the 84 examined), the Companies failed to provide the existing insurer with account numbers in the Notice Regarding Proposed Replacement of Life Insurance consistent with Exhibit B, thereby violating 50 Ill. Adm. Code 917.70(c).
- Crit #029 - In seven (7) files (8.3% of the 84 examined), the Companies failed to provide the existing insurer with the Notice of Proposed Replacement within 3 working days after receipt of the application, thereby violating 50 Ill. Adm. Code 917.70(c).
- Crit #117 - In two (2) files (2.38% of the 84 examined), the Companies failed to submit acknowledgments regarding the basic illustrations and incorrectly identified an illustration as a "Revised Illustration," which was not compliant with Part 1406, thereby violating 50 Ill. Adm. Code 1406.40(c).
- Crit #118 - In 1 file (1.19% of the 84 examined), the Companies failed to require that the Producer provide account numbers in the Notice Regarding Replacement of Life Insurance, thereby violating 50 Ill. Adm. Code 917.70(b).

- Crit #119 - In two (2) files (2.38% of the 84 examined), at the time the application was submitted to the Companies, the Companies failed to receive either a Basic Illustration or an acknowledgment from the Consumer and a certification from the Producer relating to an illustration not being used at the time of sale, thereby violating 50 Ill. Adm. Code 1406.80(b)(1).
- Crit #121 - In three (3) files (3.6% of the 84 examined), the Companies failed to request statements from the applicants as to whether a replacement will be involved in the transaction, thereby violating 50 Ill. Adm. Code 917.70(a).
- Crit #124 - In eight (8) files (9.5% of the 84 examined), the Companies did not send the existing insurer the mandated policy summary when the replacement of a life insurance policy involved a 1035 exchange, thereby violating 215 ILCS 5/224(2) and 50 Ill. Adm. Code 930.40(i)(2).
- Crit #125 - In two (2) files (2.38% of the 84 examined), the producer failed to obtain the applicant's acknowledgment that no illustration conforming to the policy applied for was provided and acknowledge an understanding that an illustration conforming to the policy as issued will be provided no later than at the time of policy delivery, thereby violating 50 Ill. Adm. Code 1406.80(b)(1).
- Crit #128 - In two (2) files (2.4% of the 84 examined), the Producer failed to provide the applicant with the Notice Regarding Replacement at the time of taking the application, thereby violating 50 Ill. Adm. Code 917.60(b)(1).
- Crit #129 - In one (1) file (1.2% of the 84 examined), the Producer failed to submit to the replacing insurer the Notice Regarding Replacement with the application, thereby violating 50 Ill. Adm. Code 917.60(b)(2).
- Crit #130 - In two (2) files (2.38% of the 84 examined), the Producer failed to certify that an illustration was not used at the time the policy was sold, thereby violating 50 Ill. Adm. Code 1406.80(b)(1).
- Crit #132 - In one (1) file (1.2% of the 84 examined), illustrations submitted after the Basic Illustration were not identified as "Revised Illustrations," thereby violating 50 Ill. Admin Code 1406.80(a)(2).
- Crit #133 - In 9 files (10.7% of the 84 examined), the Companies failed to send the existing insurer the policy summary within three (3) working days after the replacement policy was issued, thereby violating 215 ILCS 5/244(2).
- Crit #156 - In two (2) files (2.38% of the 84 examined), the Producer failed to submit to the Companies an accurately signed statement by the applicant as to whether the existing policy would be replaced, thereby violating 50 Ill. Adm. Code 917.60(a)(1).

25. Annuity Internal Replacements

- No violations noted.

26. Life Cash Surrenders

- No violations were noted.

27. Annuity Cash Surrenders

- No violations noted.

E. Claims

1. Private Passenger Automobile First-Party Paid

- Crit #008 - In four (4) files (3.7% of the 109 examined), the Companies failed to send a written explanation for the delay to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #009 - In one (1) file (0.9% of the 109 examined), the Companies failed to offer payment within 30 days after affirmation of liability when the claim was not in dispute and payee was known, thereby violating 50 Ill. Adm. Code 919.50(a).
 - Crit #011 - In two (2) files (1.8% of the 109 examined), the Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss, thereby violating 50 Ill. Adm. Code 919.80(c).
 - Crit #012 - In one (1) file (0.9% of the 109 examined), the Companies failed to provide the Notice of Availability of the Department of Insurance when sending the written explanation of the delay of payment to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #013 - In one (1) file (0.9% of the 109 examined), the Companies initiated the investigation of the claim by contacting the insured, securing a recorded statement, and appraising the insured's damage. A police report was available to aid in the investigation of the claim but was not requested until 89 days after the loss was received, thereby failing to promptly investigate, and thereby violating 215 ILCS 5/154.6(c).
 - Crit #023 - In two (2) files (1.8% of the 109 examined), documentation was not provided in the claim file detailing all contacts with the insured. The Companies failed to provide detailed documentation of all contacts with the insured to permit reconstruction of the Companies' activities relative to the claim file, thereby violating 50 Ill. Admin. Code 919.30(c).
2. Private Passenger Automobile First-Party Closed Without Payment
- Crit #033 - In three (3) files (2.8% of the 109 examined), the Companies failed to provide Notice of Availability of the Department of Insurance when sending a reasonable written explanation of the basis of the denial of the claim, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
 - Crit #053 and 073 - In three (3) files (2.8% of the 109 examined), the Companies failed to provide Notice of Availability of the Department of Insurance when sending written explanation of the delay in resolution of the claim to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #054 - In 37 files (33.94% of the 109 examined), documentation was not provided in the claim file detailing pertinent communications with the insured. The Companies failed to provide detailed documentation in order to permit reconstruction of the Companies' activities relative to the claim file, thereby violating 50 Ill. Admin. Code 919.30(c).
 - Crit #055, 057 and 103 - In six (6) files (5.5% of the 109 examined), the Companies failed to send a timely written explanation for the delay of a claim which remained unresolved for more than 40 days, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #056 - In one (1) file (0.9% of the 109 examined), the Companies failed to provide the insured a reasonable written explanation of the basis for the denial of the claim, thereby violating 50 Ill. Adm. Code 919.50(a)(1).

3. Private Passenger Automobile Total Loss
 - Crit #083, 093 and 106 - In seven (7) files (6.4% of the 109 examined), the Companies failed to provide the Notice of Availability of the Department of Insurance when sending the written explanation of the delay in resolution of the claim to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #084 - In six (6) files (5.5% of the 109 examined), the Companies failed to send a written explanation for the delay to the insured when the claim exceeded 40 days, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #085 and 108 - In two (2) files (1.8% of the 109 examined), the Companies failed to send a timely written explanation for the delay to the insured when the claim exceeded 40 days, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #086 - In two (2) files (1.8% of the 109 examined), the Companies failed to timely provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss within 7 days, thereby violating 50 Ill. Adm. Code 919.80(c).
 - Crit #107 - In 24 files (22.0% of the 109 examined), the Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss, thereby violating 50 Ill. Adm. Code 919.80(c).
4. Private Passenger Automobile Third-Party Paid
 - Crit #094 - In one (1) file (0.9% of the 109 examined), the Companies failed to respond to correspondence received, thereby violating 215 ILCS 5/154.6(b).
 - Crit #096 - In two (2) files (1.8% of the 109 examined), the Companies failed to issue payment under the correct exposure or failed to send correspondence to the proper party, thereby violating 215 ILCS 5/154.6(c).
 - Crit #137 - In one (1) file (0.9% of the 109 examined), the Companies failed to pay the right amount for the claim, thereby violating 215 ILCS 5/154.6(d). This resulted in an overpayment totaling \$500.00.
 - Crit #138 - In four (4) files (3.7% of the 109 examined), the Companies failed to maintain proper file documentation, thereby violating 50 Ill. Adm. Code 919.30(c).
5. Private Passenger Automobile Third-Party Closed Without Payment
 - Crit #146 - In one (1) file (0.9% of the 109 examined), the Companies failed to contact the third-party claimant to investigate the claim, thereby violating 215 ILCS 5/154.6(c).
 - Crit #180 - In one (1) file (0.9% of the 109 examined), the Companies failed to provide the first party a reasonable written explanation of the basis of the denial of the claim, thereby violating 50 Ill. Adm. Code 919.50(a)(1) and (2).
6. Private Passenger Automobile Subrogation
 - Crit #172 - In 23 files (21.3% of the 108 examined), the Companies failed to refund the deductible to the insured as soon as the subrogation amount was received, thereby violating 215 ILCS 5/143b and 50 Ill. Adm. Code Section 919.50a.
7. Private Passenger Automobile Litigated

- Crit #174 - In one (1) file (0.9% of the 107 examined), the Companies failed to provide Notice of Availability of the Department of Insurance when sending a reasonable written explanation of the basis of the denial of the claim, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
 - Crit #176 - In two (2) files (1.9% of the 107 examined), the Companies failed to send a written explanation for the delay of a property damage liability claim which remained unresolved for more than 60 days, thereby violating 50 Ill. Adm. Code 919.80(b)(3).
 - Crit #178 - In one (1) file (0.9% of the 107 examined), the Companies failed to request the police report in a timely manner for the prompt investigation of the claim, thereby violating 215 ILCS 5/154.6(c).
 - Crit #179 - In two (2) files (1.9% of the 107 examined), the Companies failed to send a timely written explanation for the delay to the third-party claimant, thereby violating 50 Ill. Adm. Code 919.80(b)(3).
8. Motorcycle Paid
- Crit #209 and 238 - In 14 files (18.4% of the 76 examined), the Companies failed to provide Notice of Availability of the Department of Insurance when sending written explanation of the delay in resolution of the claim to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #210 - In two (2) files (2.6% of the 76 examined), the Companies failed to provide detailed documentation to permit reconstruction of the Companies' activities relative to the claim file, thereby violating 50 Ill. Admin. Code 919.30(c).
 - Crit #211 and 239 - In seven (7) files (9.2% of the 76 examined), the Companies failed to send a written explanation for the delay to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #212 - In nine (9) files (11.8% of the 76 examined), the Companies failed to provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss, thereby violating 50 Ill. Adm. Code 919.80(c).
 - Crit #214 - In five (5) files (6.6% of the 76 examined), the Companies failed to send a timely written explanation of the delay in resolution of the claim to the insured within 40 calendar days, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #240 - In two (2) files (2.6% of the 76 examined), the Companies failed to provide the insured with the information contained in Exhibit A within 7 days of when the insured vehicle was deemed a total loss, thereby violating 50 Ill. Adm. Code 919.80(c).
9. Motorcycle Closed Without Payment
- Crit #188 - In one (1) file (5.0% of the 20 examined), the Companies failed to provide the Notice of Availability of the Department of Insurance when sending written explanation of the delay in resolution of the claim to the insured, thereby violating 50 Ill. Adm. Code 919.80(b)(2).
 - Crit #189 - In two (2) files (10.0% of the 20 examined), the Companies failed to provide Notice of Availability of the Department of Insurance when sending a reasonable written explanation of the basis of the denial of the claim, thereby violating 50 Ill. Adm. Code 919.50(a)(1).

- Crit #190 - In five (5) files (25.0% of the 20 examined), documentation was not provided in the claim file detailing pertinent communications with the insured. The Companies failed to provide detailed documentation in order to permit reconstruction of the Companies' activities relative to the claim file, thereby violating 50 Ill. Adm. Code 919.30(c).
- Crit #191 - In two (2) files (10.0% of the 20 examined), the Companies failed to send to the insured a written explanation for the delay of a claim which remained unresolved for more than 40 days, thereby violating 50 Ill. Adm. Code 919.80(b)(2).

10. Homeowners Paid

- Crit #035 - In one (1) file (0.9% of the 109 examined), the Companies failed to include the Notice of Availability of the Department of Insurance, thereby violating 50 Ill. Adm. Code 919.50a(1).
- Crit #047 and 066 - In nine (9) files (8.3% of the 109 examined), the Companies failed to properly document the claim file, thereby violating 50 Ill. Adm. Code 919.30(c).
- Crit #051 - In one (1) file (0.9% of the 109 examined), the Companies failed to clearly set forth the policy limitation upon which the denial was based, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
- Crit #063 - In two (2) files (1.8% of the 109 examined), the Companies failed to acknowledge pertinent communications with respect to the claim, thereby violating 215 ILCS 5/154.6(b).
- Crit #067 - In one (1) file (0.9% of the 109 examined), the Companies failed to apply the overage on the tree debris removal limit to the policy deductible, thereby violating 215 ILCS 5/154.6(d). This resulted in an underpayment totaling \$22.86. The Companies provided the examiners evidence of a refund during the examination.

11. Homeowners Closed Without Payment

- Crit #044, 064 and 069 - In three (3) files (2.8% of the 109 examined), the Companies failed to provide to the insured a reasonable written explanation of the basis of the coverage denial, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
- Crit #062 and 101 - In 17 files (15.6% of the 109 examined), the Companies failed to include the Notice of Availability of the Department of Insurance in the written explanation for the denial, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
- Crit #065 and 071 - In four (4) files (3.7% of the 109 examined), the Companies failed to properly document the claim file to support the claim investigation, thereby violating 50 Ill. Admin. Code 919.30(c).
- Crit #068 and 100 - In two (2) files (1.8% of the 109 examined), the Companies failed to acknowledge with reasonable promptness pertinent communications with respect to claims, thereby violating 215 ILCS 5/154.6(b).
- Crit #070 - In one (1) file (0.9% of the 109 examined), the Companies failed to apply the proper policy deductible to the claim, thereby violating 215 ILCS 5/154.6(d). This resulted in an underpayment totaling \$327.82. The Companies provided the examiners evidence of a refund during the examination.

- Crit #082 - In one (1) file (0.9% of the 109 examined), the Companies failed to send a proper coverage denial letter regarding how the condominium Unit Owners Additions Special Coverage Endorsement applied to the loss, thereby violating 50 Ill. Adm. Code 919.50(a)(1).

12. Dwelling Fire Paid

- Crit #140 - In eleven (11) files (10.3% of the 107 examined), the Companies failed to include the Notice of Availability of the Department of Insurance in the denial letter, thereby violating 50 Ill. Admin. Code 919.50(a)(1).
- Crit #141 and 154 - In two (2) files (1.9% of the 107 examined), the Companies failed to acknowledge with reasonable promptness pertinent communications with respect to claims, thereby violating 215 ILCS 5/154.6(b).
- Crit #142 and 153 - In three (3) files (2.80% of the 107 examined), the Companies failed to properly document the claim file, thereby violating 50 Ill. Adm. Code 919.30(c).
- Crit #143 - In one (1) file (0.93% of the 107 examined), the Companies failed to conduct a proper claims investigation, thereby violating 215 ILCS 5/154.6(c). This resulted in overpayments totaling \$107,742.16.

13. Dwelling Fire Closed without Payment

- Crit #185 - In 16 files (15.2% of the 105 examined), the Companies failed to include the one-year statute of limitations for presenting a claim and/or Notice of Availability of the Department of Insurance, thereby violating 50 Ill. Adm. Code 919.50(a)(1).
- Crit #186 and 208 - In nine (9) files (8.6% of the 105 examined), the Companies failed to properly document the claim file, thereby violating 50 Ill. Adm. Code 919.30(c).
- Crit #207 - In five (5) files (4.8% of the 105 examined), the Companies failed to send a complete denial, clearly communicate the denial reason, or send a denial letter, thereby violating 50 Ill. Adm. Code 919.50(a)(1).

14. Mobile Home Paid

- Crit #173 - In one (1) file (1.7% of the 60 examined), the Companies failed to maintain supporting evidence pertaining to the issued payment, therefore, it failed to provide detailed documentation in order to permit reconstruction of the Companies' activities relative to the claim file, thereby violating 50 Ill. Admin. Code 919.30(c).
- Crit #184 - In 15 files (25.0% of the 60 examined), the Companies failed to follow its own claims procedures (effective 9/2/2020) by depreciating labor when calculating actual cash value on a Mobile Home claim when the policy language does NOT explicitly state that labor is included in depreciation, thereby violating 215 ILCS 5/154.6(d) and caselaw *Sproull v. State Farm Fire & Cas. Co.*, 2021 Ill. LEXIS 619 (Ill. Sept. 23, 2021).

15. Mobile Home Closed without Payment

- No violations were noted.

16. Workers' Compensation Paid

- Crit #052 - In 17 files (16.2% of the 105 examined), the Companies failed to issue a payment to a provider within 30 days of receiving a valid bill and interest was not paid for the delayed payment, thereby violating 820 ILCS 305/8.2(d)(3).

17. Workers' Compensation Closed Without Payment

- Crit #061 - In three (3) files (3.26% of the 92 examined), the Companies failed to provide written notification to the insured(s) and provider(s) explaining the basis for the denial, thereby violating 215 ILCS 5/154.6(n).

18. Life Insurance Paid

- Crit #198 - In 5 files (4.59% of the 109 examined), the files do not contain any documentation indicating that the Companies communicated with the beneficiary after receipt of the notification of loss, and therefore the Companies failed to implement reasonable standards for prompt investigation by not communicating with the beneficiaries within 21 working days following the notice of death, thereby violating 215 ILCS 5/154.6(c).
- Crit #200 - In two (2) files (1.83% of the 109 examined), the files do not contain any documentation indicating when the Companies provided claim forms to the beneficiary, and therefore the Companies failed to provide the forms within 15 working days of a request and without any explanation to the beneficiary, which is an improper claims practice, thereby violating 215 ILCS 5/154.6(o).
- Crit #203 - In two (2) files (1.8% of the 109 examined), the Companies failed to include the "Notice of Availability of the Department of Insurance" in the explanation for the delay in processing the claim, which is an improper claims practice, thereby violating 50 Ill. Adm. Code 919.70(a)(2).
- Crit #243 - In 42 files (38.5% of the 109 examined), the Companies failed to communicate with proper documentation with the beneficiary explanation as to how the proceeds were calculated and the amount of interest added to the proceeds, thereby violating 50 Ill. Adm. Code 919.40.
- Crit # 244 - In 16 files (14.7% of the 109 examined), the Companies failed to maintain detailed documentation relating to requirements, in the claim file, that would have allowed the examiner to reconstruct the pertinent events and processing activities relative the claim file, thereby violating 50 Ill. Adm. Code 919.30(c).

19. Annuity Paid

- Crit #222 - In 4 files (3.81% of the 105 examined), the Companies failed to communicate with beneficiaries within 21 working days after notification of loss, thereby violating 215 ILCS 5/154.6(c).
- Crit #223 - In 48 files (45.7% of the 105 examined), the Companies failed to communicate with proper documentation with the beneficiary explanation as to how the proceeds were calculated and the amount of interest added added to the proceeds, which is an improper claims practice, thereby violating 50 Ill. Adm. Code 919.40.
- Crit #226 - In 82 files (78.10% of the 105 examined), the Companies failed to provide detailed documentation that would allow examiners to reconstruct the pertinent events and processing activities relative to the claim, thereby violating 50 Ill. Adm. Code 919.30(c).
- Crit #227 - In 10 files (9.5% of the 105 examined), the Companies' files failed to contain any documentation indicating when the Companies provided claim forms to the beneficiary. The Companies failed to

provide, within 15 days of receiving the notice of death, the forms and an explanation of the forms that would have allowed beneficiaries to use them effectively, thereby violating 215 ILCS 5/154.6(o).

- Crit #228 - In 105 files (100.0% of the 105 examined), the Companies failed to maintain claim records demonstrating that for every claim filed, an inquiry was made as to other names the insured may have been known, thereby violating 50 Ill. Adm. Code 919.70(a)(1)(E).
- Crit #229 - In 105 files (100.0% of the 105 examined), the Companies failed to demonstrate that upon submission of a death claim form, a search was conducted for other policies on the decedent's life, which was an improper claims practice, thereby violating 50 Ill. Adm. Code 919.70(a)(1)(A) and 919.70(a)(1)(F).
- Crit #231 - In 36 files (34.29% of the 105 examined), the Companies failed to provide the beneficiary with a reasonable written explanation for the delay, which is an improper claims practice, thereby violating 50 Ill. Adm. Code 919.70(a)(2).

20. Life Insurance Denied

- Crit #090 - In one (1) file (100.0% of the one (1) examined), the claim remained unresolved for 45 days from the date reported and the Companies failed to provide the beneficiary with a compliant reasonable written explanation for the delay, thereby violating 50 Ill. Adm. Code 919.70(a)(2).

F. Producer Licensing

1. Life and Annuity
 - No violations were noted.
2. Property and Casualty
 - No violations were noted.

VI. ACKNOWLEDGEMENT

A comprehensive market conduct examination has been conducted of Country Mutual Insurance Company (NAIC #20990), Country Preferred Insurance Company (NAIC #21008), Country Casualty Insurance Company (NAIC #20982), Country Life Insurance Company (NAIC #62553), and Country Investors Life Assurance Company (NAIC #94218). The examination was conducted in accordance with the Illinois Department of Insurance guidelines and relevant National Association of Commissioners' (NAIC) Market regulation Handbook procedures.

The examination included reviews Operations and Management, Marketing and Sales, Complaint Handling, Underwriting and Rating, Policyholder Services (Risk Selection), Claims Handling, and Producer Licensing.

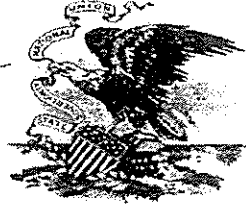
Detailed reviews were performed on Private Passenger Automobile, Motorcycle, Homeowners, Dwelling Fire, Mobile Home, Workers' Compensation, Individual Life Insurance, and Individual Annuities.

The Examiners wish to express appreciation for the courteous cooperation and assistance given by the officers and employees of the Companies during the examination.

Sincerely,

Craig L. Leonard, CIE, CPCU, CCP, FLMI, ARC, AIAF, ARM, MCM
Examiner-in-Charge
Examination Resources, LLC

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

COUNTRY INSURANCE GROUP
1701 TOWANDA AVENUE
BLOOMINGTON, IL. 61701

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance (“Department”) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Country Mutual Insurance Company, (“the Company”), NAIC 20990, Country Preferred Insurance Company, NAIC 21008, Country Casualty Insurance Company, NAIC 20982, Country Life Insurance Company, NAIC 62553, and Country Investors Life Assurance Company, NAIC 94218, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of October 1, 2020, through March 31, 2022, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall ensure producers provide the replaced contract number to the existing insurer in the Notice Regarding Replacement. 50 Ill. Adm. Code 917.60(b)(1)
2. Institute and maintain policies and procedures whereby the Company shall properly document the claim file. 50 Ill. Adm. Code 919.30(c)
3. Institute and maintain policies and procedures whereby the Company shall issue payment to providers within 30 days of receiving a valid bill and any interest for delayed payments. 820 ILCS 305/8.2(d)(3)
4. Institute and maintain policies and procedures whereby the Company shall provide detailed documentation in order to permit reconstruction of the Companies' activities relative to the claim file. 50 Ill. Adm. Code 919.30(c)
5. Institute and maintain policies and procedures whereby the Company shall include the Notice of Availability of the Department of Insurance in the written explanation of the denial. 50 Ill. Adm. Code 919.50(a)(1)
6. Institute and maintain policies and procedures whereby the Company shall obtain Mine Subsidence Waivers for properties where coverage or a signed waiver is required. 215 ILCS 5/805.1(a)
7. Institute and maintain policies and procedures whereby the Company shall provide the beneficiary with a reasonable written explanation for any claim delays. 50 Ill. Adm. Code 919.70(a)(2)
8. Institute and maintain policies and procedures whereby the Company shall provide the insured with the information contained in Exhibit A when the insured vehicle was deemed a total loss. 50 Ill. Adm. Code 919.80(c)

9. Institute and maintain policies and procedures whereby the Company shall send the existing insurer the policy summary within three (3) working days after the replacement was issued. 215 ILCS 5/244(2)
10. Institute and maintain policies and procedures whereby the Company shall preserve and reproduce its original books and records. 215 ILCS 5/132(1) and 215 ILCS 5/133(2)
11. Institute and maintain policies and procedures whereby the Company shall ensure agents make record of any recommendation subject to Section 3120.50(a). 50 Ill. Adm. Code 3120.50(e)(1)
12. Institute and maintain policies and procedures whereby the Company shall send notice of cancellation to mortgagees. 215 ILCS 5/143.14(a)
13. Institute and maintain policies and procedures whereby the Company shall ensure their rules define which credit-based insurance score will be used when scores are secured for an application with multiple insureds. 50 Ill. Adm. Code 754.10(b)
14. Institute and maintain policies and procedures whereby the Company shall file the mapping structure used to convert the insurance scores to the classifications necessary to rate policies. 50 Ill. Adm. Code 754.10(b)
15. Institute and maintain policies and procedures whereby the Company shall not use motorcycle symbols based upon a procedure that had not been filed. 50 Ill. Adm. Code 754.10(b)
16. Institute and maintain policies and procedures whereby the Company shall refund the deductible to the insured as soon as the subrogation amount is received. 215 ILCS 5/143b and 50 Ill. Adm. Code 919.50a
17. Institute and maintain policies and procedures whereby the Company shall follow its claims procedures in depreciating labor, when the policy language does not explicitly state that labor is included in depreciation. 215 ILCS 5/154.6(d)
18. Institute and maintain policies and procedures whereby the Company shall include the one-year statute of limitations for presenting a claim and/or the Notice of Availability of the Department of Insurance. 50 Ill. Adm. Code 919.50(a)(1)
19. Institute and maintain policies and procedures whereby the Company shall send a written explanation for the delay to the insured. 50 Ill. Adm. Code 919.80(b)(2)
20. Institute and maintain policies and procedures whereby the Company shall not utilize an unfiled base rate for the premium development for Coverage E – Personal Liability. 50 Ill. Adm. Code 754.10(b)(1)
21. Institute and maintain policies and procedures whereby the Company shall maintain applications. 215 ILCS 5/133
22. Institute and maintain policies and procedures whereby the Company shall include the Notice of Availability of the Department of Insurance in the written explanation of the delay. 50 Ill. Adm. Code 919.80(b)(2)

23. Institute and maintain policies and procedures whereby the Company shall file a personal liability base rate. 50 Ill. Adm. Code 754.10(b)(1)
24. Institute and maintain policies and procedures whereby the Company shall communicate with proper documentation with the beneficiary explanation as to how the proceeds were calculated and the amount of interest added. 50 Ill. Adm. Code 919.40
25. Institute and maintain policies and procedures whereby the Company shall provide detailed documentation that would allow examiners to reconstruct the pertinent events and processing activities relative to the claim. 50 Ill. Adm. Code 919.40
26. Institute and maintain policies and procedures whereby the Company shall provide claim forms and an explanation of the forms, within 15 working days of receiving the notice of death. 215 ILCS 5/154.6(o)
27. Institute and maintain policies and procedures whereby the Company shall maintain claim records demonstrating that for every claim filed, an inquiry was made as to other names the insured may have been known. 50 Ill. Adm. Code 919.70(a)(1)(E)
28. Institute and maintain policies and procedures whereby the Company shall demonstrate that a search was conducted for other policies on the decedent's life. 50 Ill. Adm. Code 919.70(a)(1)(A) and 50 Ill. Adm Code 919.70(a)(1)(F)
29. Institute and maintain policies and procedures whereby the Company shall provide evidence insureds were advised of the right to reject uninsured/underinsured motorist coverage in excess of the minimum limits as required by law. 215 ILCS 5/143a-2
30. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above twenty-nine (29) orders within thirty (30) days of execution of this Order.
31. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$175,000.⁰⁰ to be paid within ten (10) days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of COUNTRY MUTUAL INSURANCE COMPANY, COUNTRY PREFERRED INSURANCE COMPANY, COUNTRY CASUALTY INSURANCE COMPANY, COUNTRY LIFE INSURANCE COMPANY, and COUNTRY INVESTORS LIFE ASSURANCE COMPANY

Chad Bilen

Signature

Chad Bilen

Name

EVP + COO

Title

Subscribed and sworn to before me this 8th day of May 2024.

Christie J Weidner

Notary Public



DEPARTMENT OF INSURANCE of the State of Illinois:

Ann Gillespie

DATE

5/14/2024

Ann Gillespie
Acting Director

