



Illinois Department of Insurance

JB Pritzker
Governor

Robert H. Muriel
Director

VIA ELECTRONIC MAIL
VIA USPS CERTIFIED MAIL

October 9, 2020

Mr Dan Peston
President
Metromile Insurance Company
690 Folsom Street, Suite 200
San Francisco, CA. 94107

Re: Metromile Insurance Company, NAIC 16187
Market Conduct Examination Report Closing Letter

Dear Mr. Peston:

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,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
E-mail: Erica.Weyhenmeyer@Illinois.gov

**ILLINOIS DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION OF
METROMILE INSURANCE COMPANY**

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: May 20, 2019 through, September 17, 2019

EXAMINATION OF: Metromile Insurance Company
(P & C) NAIC #16187

LOCATION: 690 Folsom Street, Suite 200, San Francisco, CA 94107

PERIOD COVERED BY EXAMINATION: March 1, 2018, through February 28, 2019

EXAMINERS: Ron Cochran, Examiner-in-Charge
Aubrey Powell, Examiner

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I. SUMMARY

A comprehensive market conduct examination of Metromile Insurance Company was performed to determine compliance with Illinois Statutes and Illinois Administrative Code.

The following represent general findings, however, specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS					
Crit #	Statute/Rule	Survey / Description	Files Reviewed	Number of Violations	Error %
1	50 IL Adm. Code 919.80(c)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss	85	85	100.00%
2	50 IL Adm. Code 919.80(b)(2)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide the insured a delay letter when the physical damage auto claim remains unresolved 40 days from the date of report	85	24	28.23%
3	50 IL Adm. Code 919.60(a)	Private Passenger Auto 1 st Party Total Loss Paid Claims – Company used the term “final” on the “Memo” section of the payment to the insured without the coverage limit being paid or any dispute over coverage or amount payable	85	14	16.47%
4	50 IL Adm. Code 919.30(c)	Private Passenger Auto 1 st Party Total Loss Paid Claims – the claim file failed to contain the detailed documentation necessary to recreate the Company’s activities relative to each claim file	85	1	1.17%
5	50 IL Adm. Code 919.50(a)	Private Passenger Auto 1 st Party Paid Claims – failure to issue payment within 30 days after affirming liability and the amount of the claim is known and not in dispute	82	2	2.43%
6	50 IL Adm. Code 919.80(b)(2)	Private Passenger Auto 1 st Party Paid Claims - failure to provide the insured a reasonable written explanation for the delay when the physical damage auto claim remains unresolved 40 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	82	12	14.63%

TABLE OF TOTAL VIOLATIONS					
Crit #	Statute/Rule	Survey / Description	Files Reviewed	Number of Violations	Error %
7	50 IL Adm. Code 919.80(b)(3)	Private Passenger Auto 3 rd Party Total Loss Paid Claims - failure to provide the claimant a reasonable written explanation for the delay when the automobile property damage liability claim remains unresolved 60 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	24	4	16.67%
8	50 IL Adm. Code 919.80(b)(2)	Private Passenger Auto 1 st Party Closed Without Payment Claims – failure to provide the insured a reasonable written explanation for the delay when the physical damage auto claim remains unresolved 40 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	82	13	15.85%
9	50 IL Adm. Code 919.50(a)(1)	Private Passenger Auto 1 st Party Closed Without Payment Claims – failure to provide the insured a reasonable written explanation for the lower offer or denial within 30 days after affirmation of liability. Notice of Availability of the Department of Insurance will accompany the explanation.	82	1	1.21%
10	50 IL Adm. Code 919.30(c)	Private Passenger Auto 1 st Party Closed Without Payment Claims – the claim file failed to contain the detailed documentation necessary to recreate the Company’s activities relative to each claim file	82	1	1.21%
11	50 IL Adm. Code 919.50(a)(1)	Private Passenger Auto 3 rd Party Closed Without Payment Claims – failure to provide the claimant a reasonable written explanation for the denial within 30 days after affirmation of liability.	82	4	4.87%
12	50 IL Adm. Code 919.80(b)(3)	Private Passenger Auto 3 rd Party Closed Without Payment Claims - failure to provide the claimant a reasonable written explanation for the delay when the automobile property damage liability claim remains unresolved 60 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	82	8	9.75%

TABLE OF TOTAL VIOLATIONS					
Crit #	Statute/Rule	Survey / Description	Files Reviewed	Number of Violations	Error %
13	215 ILCS 5/154.6(b)	Private Passenger Auto Third Party Closed Without Payment Claims – failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies	82	2	2.43%
14	215 ILCS 5/154.6(c)	Private Passenger Auto Third Party Closed Without Payment Claims - failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies	82	7	8.53%
15	215 ILCS 5/154.6(d)	Private Passenger Auto Third Party Closed Without Payment Claims – not attempting in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear	82	4	4.88%
16	50 IL Adm. Code 919.80(b)(3)	Private Passenger Auto Third Party Paid Claims – failure to provide the claimant a reasonable written explanation for the delay when the automobile property damage liability claim remains unresolved 60 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation.	76	5	6.57%
17	50 Ill. Adm. Code 919.30(c)	Private Passenger Auto Third Party Closed Without Payment Claims - the claim file failed to contain the detailed documentation necessary to recreate the Company's activities relative to each claim file	82	2	2.43%
19	215 ILCS 5/143.23	Private Passenger Automobile Non-renewals – failure to advise the named insured of his right to appeal and the procedure to follow for such appeal with the notice of cancellation or non-renewal to which this Section applies	58	12	20.68%
20	215 ILCS 5/143.25	Private Passenger Automobile Renewals - failure to notify an individual planning to purchase such renewal policy of the availability of higher deductibles for collision and comprehensive coverage and that a premium savings could result if the higher deductibles were purchased.	116	4	3.44%

TABLE OF TOTAL VIOLATIONS					
Crit #	Statute/Rule	Survey / Description	Files Reviewed	Number of Violations	Error %
21	215 ILCS 5/143.23	Private Passenger Automobile Mid-term Cancellations — failure to advise the named insured of his right to appeal and the procedure to follow for such appeal with the notice of cancellation or non-renewal to which this Section applies	8	8	100.00%

II. BACKGROUND:

Metromile was founded in Redwood City, CA in 2011 by David Friedberg and Steve Pretre David Friedberg currently sits as the chairman of the board, and the company is led by CEO Dan Preston. To date, Metromile has raised \$205 million in disclosed funding (Series A through D) and additional undisclosed funding, with investors including [NEA](#), [Index Ventures](#), [First Round Capital](#), and SV Angel. In 2013, the company moved its headquarters to San Francisco and in April 2015 added a second office space. A new location was opened in Boston in April 2015 and in Tempe in May 2015. In September 2016 they announced a new round of \$192 million in funding and acquired a carrier which enabled them to start underwriting their own policies.

Metromile Insurance Company offers pay-per-mile car insurance in Illinois, along with 7 other states. Its offerings are limited to the personal automobile line, offering a verified mileage program. The monthly bill varies based on how many miles that the policyholder drives. The Company also provides customers with a smart driving app. The company states it combines engineering and data science to deliver mobile technology, automotive telematics, and data-driven applications to make a car's data accessible and useful to modern drivers, including street sweeping alerts, trip stats, decoded check-engine lights, and car location. The Company aims to make car ownership as simple and affordable as it can be. This product offering is targeted towards preferred low-mileage business. The Company was acquired by Metromile, Inc., its ultimate controlling parent, in August of 2016. Previously it had been a -

subsidiary of AXA and was called Mosaic Insurance Company. All policies underwritten by Metromile Insurance Company are sold and serviced by Metromile Insurance Services, LLC – a general agency also fully owned by parent Metromile, Inc. There are no plans related to any planned mergers, acquisitions or sale of any company operations.

Metromile Insurance Company

2018 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 16187

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
19.2	Other Private passenger auto liability	\$2,600,350	\$2,491,318	\$1,352,807	\$1,994,096
21.1	Private Passenger Auto Physical Damage	\$2,054,387	\$1,997,139	\$1,576,908	\$1,617,597
35	Total	\$4,654,737	\$4,468,457	\$2,929,715	\$3,611,693

2017 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 16187

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
19.2	Other Private passenger auto liability	\$2,106,872	\$1,868,793	\$509,337	\$1,395,229
21.1	Private Passenger Auto Physical Damage	\$1,500,604	\$1,404,052	\$1,160,034	\$1,246,027
35	Total	\$3,607,476	\$3,272,845	\$1,699,371	\$1,065,052

2016 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 16187

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
19.2	Other Private passenger auto liability	\$195,365	\$65,389	\$2,339	\$56,661
21.1	Private Passenger Auto Physical Damage	\$188,755	\$61,075	\$28,460	\$67,305
35	Total	\$384,120	\$126,464	\$30,799	\$123,966

III. METHODOLOGY:

The market conduct examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The scope of this market conduct examination was limited to the following general areas.

- I. Complaints
- II. Risk Selection
- III. Underwriting
- IV. Claims
- V. Producer licensing.

The review of these categories is accomplished through examination of individual underwriting and claim files, written interrogatories and interviews with company personnel. Each of these categories is examined for compliance with Department of Insurance rules and regulations and applicable state laws.

The following method was used to obtain the required samples and to assure a statistically sound selection. Surveys were developed from Company generated Excel spreadsheets. Random statistical printout reports were generated by the examiners and presented to the Company for retrieval.

Risk Selection

Cancellations and non-renewals of existing policy holders were requested on the basis of the effective date of the transaction falling within the period under examination. Cancellations and non-renewals were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and for any possible discrimination.

Underwriting

The underwriting of new applicants for coverage with the company was selected based on the inception date of the policy falling within the period under examination. New policies were reviewed for rating accuracy, use of filed rates, use of filed forms, for compliance with company underwriting guidelines and to ensure that the coverage provided was as requested by the applicant.

Claims

Claims were requested based on the settlement occurring or the claim file being closed without payment within the period under examination.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 et seq. and 820 ILCS 305/1 et seq.) and Part 919 (Ill. Adm. Code Title 50: Part 919).

Complaints & Producer Review

Complaints were reviewed for completion, accuracy and validity of the complaint based on complaints received by the Department of Insurance during the examination experience period. Producer terminations and licensing were reviewed for their compliance with statutory requirements.

IV. SELECTION OF SAMPLE:

Survey	# Reviewed	% Reviewed
Risk Selection:	187	8.27%
Private Passenger Auto Cancellations	129	5.86%
Private Passenger Auto Non-renewals	58	100.00%

Survey	# Reviewed	% Reviewed
Underwriting:	231	1.82%
Private Passenger Auto New Business	115	3.88%
Private Passenger Auto Renewals	116	1.19%

Survey	# Reviewed	% Reviewed
Claims:	875	72.91%
Private Passenger Auto 1 st Party - Paid	82	28.67%
PPA 1 st P Paid – Median = 16 days	--	-----
Private Passenger Auto 1 st Party – CWP	82	24.47%
Private Passenger Auto 3 rd Party - Paid	76	38.00%
PPA 3 rd P Paid – Median = 24 days	--	-----
Private Passenger Auto 3 rd Party – CWP	82	35.65%
Private Passenger Auto Subrogation	32	100.00%
Private Passenger Auto 1 st Party Total Loss Paid	45	100.00%
PPA 1st P Total Loss Paid – Median = 29 days		
Private Passenger Auto 3rd Party Total Loss Paid	24	100.00%
PPA 3rd P Total Loss Paid – Median = 43 days		

	# Reviewed	% Reviewed
Department Complaints	2	100.00%
Consumer Complaints	3	100.00%
Producer Terminations	0	0%
Producer Licensing	18	100.00%

V. FINDINGS:

A. Risk Selections:

1. Private Passenger Automobile - Cancellations

No criticisms were found in the following surveys:

i. Cancellations in the First 60 days

Insured Requested Cancellations and Cancellations for Non-Payment of Premium

ii. Cancellations Mid Term (After first 60 days):

In eight (8) policy files (100% of the 8 policy files reviewed) the Company failed to provide the Insured with the procedure to file an appeal of the cancellation of the policy in violation of 215 ILCS 5/143.23.

The Company updated their cancellation notices to include the procedure to file an appeal and provided a copy of the updated cancellation notice.

2. Private Passenger Automobile - Non-renewals:

i. In twelve (12) policy files (20.68% of the 58 policy files reviewed) the Company failed to provide the Insured with the procedure to file an appeal of the non-renewal of the policy in violation of 215 ILCS 5/143.23.

ii. The Company updated their non-renewal notices to include the procedure to file an appeal and provided a copy of the updated non-renewal notice.

B. Underwriting:

1. Private Passenger Automobile - New Business

No criticisms were found in the survey

2. Private Passenger Auto – Renewals

In four (4) policy files (3.44% of the 116 policy files reviewed) the Company failed to provide the notice of the availability of higher deductibles for collision and comprehensive coverage and that a premium savings could result if the higher deductibles were purchased in violation of 215 ILCS 5/143.25a.

C. Claims

1. Private Passenger Automobile First Party Paid Claims & Median

The median payment period was 8 days distributed as follows:

Days	Number	Percentage
0-30	59	72.00%
31-60	14	17.10%
61-90	4	4.90%
91-180	5	6.10%
181-365	0	0%
Over 365	0	0%
Total	82	100.00%

In two (2) claim files (2.43% of the 82 claim files reviewed) the Company failed to issue payment to the insured within 30 days of affirming liability, the amount of the claim is determined and not in dispute in violation of 50 Ill. Adm. Code 919.50(a).

In thirteen (12) claim files (14.63% of the 82 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (b)(2).

2. Private Passenger Auto First Party Closed Without Payment Claims

In thirteen (13) claim files (15.85% of the 82 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80 (b)(2).

In one (1) claim file (1.21% of the 82 claim files reviewed) the Company failed to provide the insured a denial letter with the Notice of Availability of the Department of Insurance within 30 days after the investigation and determination of liability is completed in violation of 50 Ill. Adm. Code 919.50(a)(1).

In one (1) claim file (1.21% of the 82 claim files reviewed) the Company failed to include the documentation necessary to reconstruct the Company's activities relative to the claim file in violation of 50 Ill. Adm. Code 919.30(c).

3. Private Passenger Automobile Third Party Paid & Median

The median payment period was 24 days distributed as follows:

Days	Number	Percentage
0-30	44	57.80%
31-60	11	14.50%
61-90	4	5.30%
91-180	12	15.80%
181-365	4	5.30%
Over 365	1	1.30%
Total	76	100.00%

In five (5) claim file (6.57% of the 72 claim files reviewed) the Company failed to provide he claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).

4. Private Passenger Auto Third Party Closed Without Payment Claims

In eight (8) claim files (9.75% of the 82 claim files reviewed) the Company failed to provide the claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).

In two (2) claim files (2.43% of the 82 clam files reviewed) the Company claim file failed to contain detailed documentation in order to permit reconstruction of the Company's activities relative to each claim file in violation of 50 Ill. Adm. Code 919.30(c).

In four (4) claim files (4.87% of the 82 claim files reviewed) the Company failed to provide the third party a reasonable written explanation of the basis of the denial within 30 days after affirmation of liability in violation of 50 Ill. Adm. Code 919.50(a)(2).

In two (2) claim files (2.43% of the 82 claim files reviewed) the Company failed to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies in violation of 215 ILCS 5/154.6(b).

In seven (7) claim files (8.53% of the 82 claim files reviewed) the Company failed to adopt and implement reasonable standards for the prompt investigation and settlement of claims arising under its policies in violation of 215 ILCS 5/154.6(c).

In eight (4) claims files (4.88% of the 82 claim files reviewed) the Company failed to attempt in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear in violation of 215 ILCS 5/154.6(d).

5. Private Passenger Automobile Subrogation

No criticisms were found in the survey

6. Private Passenger Automobile First Party Total Losses Paid

The median payment period was 29 days distributed as follows:

Days	Number	Percentage
0-30	44	51.80%
31-60	31	36.50%
61-90	4	4.70%
91-180	5	5.90%
181-365	1	1.20%
Over 365	0	0.00%
Total	85	100.00%

In eighty-five 85 claim files (100.00% of the 85 claim files reviewed) the Company failed to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss in violation of 50 Ill. Adm. Code 919.80 c).

In twenty-four (24) claim files (28.23% of the 82 claim files reviewed) the Company failed to provide the insured a delay letter with the Notice of Availability of the Department of Insurance if a first party physical damage auto claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2).

In fourteen (14) claim files (16.47% of the 82 claim files reviewed) the Company included the term “final” on the payment to the insured without the policy limit being paid or absent a bonafide dispute either over coverage or the amount payable under the policy in violation of 50 Ill. Adm. Code 919.60(a).

In one (1) claim file (1.17% of the 82 claim files reviewed) the Company failed to include the documentation necessary to reconstruct the Company’s activities relative to the claim file in violation of 50 Ill. Adm. Code 919.30(c).

7. Private Passenger Automobile Third Party Total Losses Paid

The median payment period was 23 days distributed as follows:

Days	Number	Percentage
0-30	44	51.80%
31-60	31	36.50%
61-90	4	4.70%
91-180	5	5.90%
181-365	1	1.20%
Over 365	0	0.00%
Total	85	100.00%

In four (4) claim files (16.67% of the 24 claim files reviewed) the Company failed to provide the claimant a delay letter with the Notice of Availability of the Department of Insurance if an automobile property damage liability claim remained unresolved for 60 calendar days from the date it is reported in violation of 50 Ill. Adm. Code 919.80(b)(3).

D. Policyholder service

1. Department and Consumer Complaints

No criticisms were found in the survey.

2. Producer Licensing

No criticisms were found in this survey.

VI. INTER-RELATED FINDINGS:

The Company communicated to their staff on April 25, 2019 changes to the correspondence required to be sent to Illinois policy holders by updating their delay letter correspondence, total loss correspondence and denial letter correspondence to include the 9:19 language necessary by statute. A copy of the e-mail communication sent to staff members April 25, 2019 along with examples of the updated documents were provided by Metromile Insurance Company.

The Company responded with a data population of 230 claim files for 3rd Party Closed Without Payment Claims. A random sample of 82 claim files was chosen for the exam based on the NAIC sampling tables. During the review of the initial 82 claim files chosen, 35 claim files were disqualified with 21 of the 35 claims disqualified as “setup in error” because a duplicate claim had also been set up and the 3rd party was paid for damages on the duplicate claim. A total of 137 files were reviewed to reach a qualified sample of 82 files. 55 files were disqualified, 36 of the 55 disqualified files were “setup in error” as a duplicate claim had been set up and payment for the 3rd party damages was completed on the duplicate file.

STATE OF ILLINOIS)
) ss
COUNTY OF SANGAMON)

Ron Cochran, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Acting Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Metromile Insurance Company, (the "Company"), NAIC 16187.

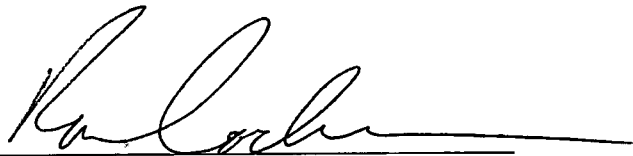
That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

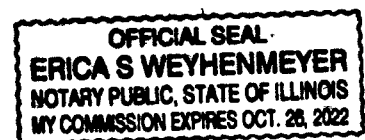
That she/he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.


Examiner-In-Charge

Subscribed and sworn to before me
this 23rd day of September, 2019


Notary Public



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

METROMILE INSURANCE COMPANY
690 FOLSOM STREET, SUITE 200
SAN FRANCISCO, CA. 94107

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, Metromile Insurance Company (“the Company”), NAIC 16187, 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 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 provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss 50 IL Adm. Code 919.80(C)
2. Institute and maintain policies and procedures whereby the Company shall provide the insured a delay letter when the physical damage auto claim remains unresolved 40 days from the date of report 50 IL Adm. Code 919.80(b)(2)
3. Institute and maintain policies and procedures whereby the Company shall not use the term “final” on the “Memo” section of the payment to the insured without the coverage limit being paid or any dispute over coverage or amount payable 50 IL Adm. Code 919.60(a).
4. Institute and maintain policies and procedures whereby the Company shall provide the claimant a reasonable written explanation for the delay when the automobile property damage liability claim remains unresolved 60 days from the date of report. A Notice of Availability of the Department of Insurance will accompany the explanation 50 IL Adm. Code 919.80(b)(3).
5. Institute and maintain policies and procedures whereby the Company shall provide the insured a reasonable written explanation for the delay when the physical damage auto claim remains unresolved 40 days from the date of report. Notice of Availability of the Department of Insurance will accompany the explanation 50 IL Adm. Code 919.80(b)(2).
6. Institute and maintain policies and procedures whereby the Company shall adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies 215 ILCS 5/154.6(c).
7. Institute and maintain policies and procedures whereby the Company shall advise the named insured of his right to appeal and the procedure to follow for such appeal with the notice of cancellation or nonrenewal to which this Section applies 215 ILCS 5/143.23.
8. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above seven (7) orders within 30 days of execution of this Order.
9. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$43,000.00 to be paid within 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 METROMILE INSURANCE COMPANY

Signature



Name

Jason Altieri

Title

Secretary

Subscribed and sworn to before me this
____ day of _____ 2020.

Notary Public

please refer to attached

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE

2/26/20



Robert H. Muriel
Director



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco

Subscribed and sworn to (or affirmed) before me on this 24
day of February, 2020, by SASON Altieri

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)

Signature *Ni Ni*