



Illinois Department of Insurance

Bruce Rauner
Governor

Anne Melissa Dowling
Acting Director

August 1, 2016

Edward James Largent, President
American Select Insurance Company
Westfield Insurance Company
Westfield National Insurance Company
One Park Circle
Westfield Center, OH 44251-5001

Re: American Select Insurance Company, NAIC 19992
Westfield Insurance Company, NAIC 24112
Westfield National Insurance Company, NAIC 24120
Market Conduct Examination Report Closing Letter

Dear Mr. Largent:

On June 23, 2016, the Department sent your Companies draft copies of the examination reports for American Select Insurance Company, Westfield Insurance Company and Westfield National Insurance Company. On August 1, 2016, the Department received correspondence from John Batchelder, indicating your Companies are in agreement with the findings contained in each report.

Enclosed with this letter is a copy of each verified examination report. The Department has completed the Market Conduct examination of the Companies and is closing its files on these exams.

I intend to ask the Director to make the examination reports available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the reports may be subject to redaction for private, personal, or trade secret information prior to making the reports 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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Assistant Deputy Director-Market Conduct and Analysis
Illinois Department of Insurance
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Springfield, IL 62767
217-558-1058
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cc: John Batchelder

WESTFIELD INSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: December 19, 2014 through February 16, 2016

EXAMINATION OF: Westfield Insurance Company
NAIC Number: 24112

LOCATIONS: 1 Park Circle
P.O. Box 5001
Westfield Center, OH 44251-5001

PERIOD COVERED BY
EXAMINATION: June 1, 2014 through May 31, 2015

EXAMINERS: Phillip Chesson
Robert McGee
Josephine Sitter
Donna Lee Williams
J. Joseph Cohen, Examiner-in-Charge

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I. SUMMARY

A comprehensive market conduct examination of eleven lines of business of Westfield Insurance Company was performed to determine compliance with Illinois statutes and the Illinois Administrative Code.

The following table represents general findings, with specific details in each section of the report.

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/Rule	Description of Violations	Population	Files Reviewed	# of Violations	Error %
3	215 ILCS 5/143.14(a)	The Company failed to provide the proof of mailing of a notice of cancellation. (Fire-Cancellations II-Nonpays)	4	4	1	25%
5	215 ILCS 5/143.22	The Company failed to notify the named insured of eligibility for the FAIR Plan and the procedure to make application to the FAIR Plan (or one (1) instance out of 2 files where FAIR Plan notification was required for an error percentage of 50%). (Fire-Cancellations I-Company Initiated)	2	2	1	50%
7	50 Ill. Adm. Code 919.80(b)(3)	The Company failed to provide a delay letter in claims unresolved for more than 60 days (or one (1) instance out of 1 file where a delay letter was required for an error percentage of 100%). (Other Private Passenger Automobile Liability-3rd Party-CWP)	16	16	1	6.25%
8	50 Ill. Adm. Code 919.80(d)(7)(B)	The Company failed to provide a delay letter in a claim unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss, whichever is less, (or one (1) instance out of 1 file where a delay letter was required for an error percentage of 100%). (Property Claims-Personal-Fire-Paid)	4	4	1	25%
9	50 Ill. Adm. Code 919.80(d)(7)(B)	The Company failed to provide a delay letter in a claim unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss, whichever is less, (or one (1) instance out of 1 file where a delay letter was required for an error percentage of 100%). (Property Claims-Personal-Allied Lines-CWP)	7	7	1	14.29%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute/Rule	Description of Violations	Population	Files Reviewed	# of Violations	Error %
10	50 Ill. Adm. Code 919.80(b)(2)	The Company failed to provide a delay letter in claims unresolved for more than 40 days (or two (2) instances out of 2 files where a delay letter was required for an error percentage of 100%). (Private Passenger Automobile-Physical Damage Claims-1 st Party-Paid)	148	76	2	2.63%
16	50 Ill. Adm. Code 919.80(b)(2)	The Company failed to provide a delay letter in a claim unresolved for more than 40 calendar days (or one (1) instance out of 1 file where a delay letter was required for an error percentage of 100%). (Private Passenger Automobile-Total Loss Claims-1 st Party-Paid)	20	20	1	5%
19	50 Ill. Adm. Code 919.80(b)(2)	The Company failed to provide a delay letter in claims unresolved for more than 40 calendar days (or three (3) instances out of 3 files where a delay letter was required for an error percentage of 100%). (Private Passenger Automobile-Subrogation-1 st Party)	18	18	3	16.67%
20	50 Ill. Adm. Code 919.80(c)	The Company failed to provide Exhibit A information within 7 days after the total loss determination (or one (1) instance out of 1 file where a settlement was required for an error percentage of 100%). (Private Passenger Automobile-Subrogation-1 st Party)	18	18	1	5.56%

II. BACKGROUND

Westfield Insurance Company (NAIC #24112)

Westfield Insurance Company was founded in 1929 and became licensed to sell insurance in Illinois in 1941. It is an Ohio domestic stock company owned by the parent company, Ohio Farmers Insurance Company. The Ohio Farmers group of companies (NAIC Group Code: 0228) are multi-line property and casualty insurance companies and market personal lines insurance products through independent agencies in ten states and commercial lines products in twenty-one states, mostly in the Midwest and South. The group markets both personal and commercial lines in Illinois.

The Westfield Insurance Company's 2014 NAIC Annual Statement, Page 14 (Illinois), reflects the following for the lines of business examined.

Line	Direct premiums written	Direct premiums earned	Direct losses paid	Direct losses incurred
Fire	\$737,007	\$757,500	\$284,415	\$318,712
Allied Lines	\$638,209	\$639,509	\$599,435	\$645,525
Farmowners multiple peril	\$3,081,562	\$3,051,737	\$1,842,537	\$1,606,965
Commercial multiple peril (non-liability portion)	\$13,464,058	\$13,236,940	\$11,916,170	\$11,218,446
Commercial multiple peril (liability portion)	\$16,352,243	\$15,829,202	\$5,172,302	\$7,817,538
Workers' Compensation	\$14,828,900	\$14,447,093	\$10,083,443	\$5,207,004
Other liability - Occurrence	\$10,093,384	\$9,632,576	\$217,252	\$522,990
Other private passenger auto liability	\$1,366,248	\$1,496,559	\$500,508	\$686,954
Other commercial auto liability	\$16,244,062	\$14,585,982	\$6,143,613	\$10,015,095
Private passenger auto physical damage	\$1,333,279	\$1,440,762	\$710,929	\$701,976
Commercial auto physical damage	\$5,078,019	\$4,446,139	\$2,993,622	\$2,903,763
TOTALS (Above lines only)	\$83,216,971	\$79,563,999	\$40,464,226	\$41,644,968
TOTALS (All lines including above)	\$90,458,670	\$86,806,297	\$44,610,855	\$45,441,096

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 involved the following general areas:

1. Operations and Management
2. Complaint Handling
3. Producer Licensing
4. Risk Selection
5. Underwriting
6. Claims

The review of the categories was accomplished through examination of material related to Company operations and management, complaint files, producer lists, underwriting files, risk selection files and claim files, as well as interviews and Company responses to the Coordinator's Handbook, information requests and criticisms. Each of the categories was examined for compliance with Illinois Department of Insurance regulations and applicable state laws.

The following method was used to obtain the required samples and to ensure a statistically sound selection. Surveys were developed from Company-generated Excel spreadsheets. The Company was requested to provide separate spreadsheets for commercial files and personal files in lines of business that included both. Random statistical file selections were generated by the examiners from these spreadsheets. In the event lines of business were combined for review, such as some commercial reviews, a random selection of files was made on a proportional basis. In the event the number of files was too low for a random sample, the sample consisted of the universe of files.

Eleven of the Company's lines of business were reviewed – Fire, Allied Lines, Farmowners Multi-peril Liability, Commercial Multi-peril non-Liability, Commercial Multi-peril Liability, Workers' Compensation, Other Liability – Occurrence, Other Private Passenger Automobile Liability, Other Commercial Automobile Liability, Private Passenger Automobile Physical Damage and Commercial Automobile Physical Damage.

The Company is a subsidiary of Ohio Farmers Insurance Company. Two other companies in this group, Westfield National Insurance Company and American Select Insurance Company, share the same platforms and processes. All three companies were examined in conjunction with one another with separate reports being written.

Company Operations and Management

A review was conducted of the Company's underwriting and claims guidelines and procedures, policy forms, third party vendor oversight, internal audits, certificates of authority, previous market conduct examinations and annual statements. These documents were reviewed for compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and the Illinois Administrative Code.

There were no exceptions noted.

Complaint Handling

The Company was requested to identify all consumer and Illinois Department of Insurance (DOI) complaints received during the examination period and to provide copies of the complaint logs. All complaint files and logs were received. These documents and files were reviewed for compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and the Illinois Administrative Code.

There were no exceptions noted.

Producer Licensing

The Company was requested to provide a list of all producers licensed to do business in Illinois and a list of those producers paid commission in Illinois during the examination period. The Company only contracts with and pays commission to agencies, rather than individuals. The Company identified universe of producers and provided multiple spreadsheets. A sample of the listed producers was reviewed in comparison to the State of Illinois licensing database and for compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and the Illinois Administrative Code.

There were no exceptions noted.

Risk Selection

The Company was requested to provide a list of all policies in the following categories during the examination period: Nonrenewals, Cancellations I (Company initiated cancellations) and Cancellations II (cancellations for non-pay). The sample files were reviewed to ensure that the policies were processed in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and the Illinois Administrative Code. The review included compliance with statutory requirements, the accuracy and validity of the reason(s) given for the action taken and any possible unfair discrimination.

Underwriting

The underwriting review of applicants for coverage with the Company was selected based on the inception or renewal date of the policy falling within the period under examination. The policies were reviewed for rating accuracy, use of filed rates, use of filed forms, compliance with Company underwriting guidelines and to ensure that the coverage provided was as requested by the applicant. This business was also reviewed to determine if solicitations were made by duly licensed producers.

The Company was requested to manually rate twenty files from the sample in each line of business. The examination of these files revealed no rating errors in the policies so the rating review was terminated. All files in the sample were reviewed for other underwriting standards.

There were no exceptions noted.

Claims

Claims were requested based on the settlement occurring or the claim file being closed without payment within the period under examination. The claims were separated between personal lines and commercial business, as well as first party claims and liability to third parties for property damage.

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 Part 919 of Title 50 of the Illinois Administrative Code (50 Ill. Adm. Code 919).

IV. SELECTION OF SAMPLES

Surveys

	<u>Population</u>	<u># Reviewed</u>	<u>% Reviewed</u>
COMPLAINTS			
DOI Complaints	6	6	100.00%
Consumer Complaints	1	1	100.00%
PRODUCER LICENSING			
Producer Licensing	1521	115	7.56%
RISK SELECTION			
PL - Fire - Nonrenewals	0	0	N/A
PL - Fire - Cancellations I - Co. Initiated	2	2	100.00%
PL - Fire - Cancellations II - Nonpay	4	4	100.00%
PL - Allied Lines - Nonrenewals	0	0	N/A
PL - Allied Lines - Cancellations I - Co. Initiated	0	0	N/A
PL - Allied Lines - Cancellations II - Nonpay	5	5	100.00%
PL - Other Liab. - Occurrence - Nonrenewals	0	0	N/A
PL - Other Liab. - Occurrence - Cancellations I - Co. Init.	5	5	100.00%
PL - Other Liab. - Occurrence - Cancellations II - Nonpay	13	13	100.00%
PL - Other PPA Liability - Nonrenewals	0	0	N/A
PL - Other PPA Liability - Cancellations I - Co. Initiated	1	1	100.00%
PL - Other PPA Liability - Cancellations II - Nonpay	16	16	100.00%
PL - PPA Physical Damage - Nonrenewals	0	0	N/A
PL - PPA Physical Damage - Cancellations I - Co. Init.	0	0	N/A
PL - PPA Physical Damage - Cancellations II - Nonpay	16	16	100.00%
Commercial* - Nonrenewals	0	0	N/A
Commercial* - Cancellations I - Co. Initiated	61	61	100.00%
Commercial* - Cancellations II - Nonpay	176	79	44.89%

*Commercial Risk Selection - these surveys consisted of a combination of all commercial lines using proportional sampling, those lines of business being Fire, Allied Lines, Farmowners Multi-peril Liability, Commercial Multi-peril non-Liability, Commercial Multi-peril Liability, Workers' Compensation, Other Liability - Occurrence, Other Commercial Automobile Liability, & Commercial Automobile Physical Damage.

UNDERWRITING

PL - Fire - New Business	205	84	40.98%
PL - Allied Lines - New Business	202	84	41.58%
PL - Other Liability - Occurrence - New Business	173	79	45.66%
PL - Other PPA Liability - New Business	0	0	N/A
PL - PPA Physical Damage - New Business	0	0	N/A
Commercial** - Renewals	20,800	116	0.56%
Workers' Compensation - New Business	118	79	66.95%

**Commercial Underwriting Renewals - these surveys consisted of a combination of all commercial lines (except Workers' Compensation) with proportional sampling, those lines of business being Fire, Allied Lines, Farmowners Multi-peril Liability, Commercial Multi-peril non-Liability, Commercial Multi-peril Liability, Other Liability - Occurrence, Commercial Auto Physical Damage & Other Commercial Automobile Liability.

CLAIMS

PPA Physical Damage - 1 st Party - Paid	148	76	51.35%
PPA Physical Damage - 1 st Party - CWP	55	55	100.00%
Other PPA Liability - 3 rd Party PD - Paid	71	71	100.00%
Other PPA Liability - 3 rd Party PD - CWP	16	16	100.00%
Subrogation - PPA Physical Damage - 1 st Party - Paid	18	18	100.00%
Total Loss - PPA Physical Damage - 1 st Party - Paid	20	20	100.00%
Commercial Auto Physical Damage - 1 st Party - Paid	328	82	25.00%
Commercial Auto Physical Damage - 1 st Party - CWP	185	76	41.08%
Other Commercial Auto Liability - 3 rd Party PD - Paid	382	82	21.47%
Other Commercial Auto Liability - 3 rd Party PD - CWP	186	76	40.86%
Subrogation - Comm. Auto Physical Damage 1 st Party - Paid	45	45	100.00%
Total Loss - Comm. Auto Physical Damage 1 st Party - Paid	46	46	100.00%
PL - Property - Fire - 1 st Party - Paid	4	4	66.67%
PL - Property - Fire - 1 st Party - CWP	1	1	100.00%
PL - Property - Allied Lines - 1 st Party - Paid	38	21	55.26%
PL - Property - Allied Lines - 1 st Party - CWP	7	7	100.00%
Commercial Property*** - 1 st Party - Paid	186	62	33.33%
Commercial Property*** - 1 st Party - CWP	71	66	92.96%

***Commercial Property Claims - these surveys consisted of a combination of all commercial property lines, using proportional sampling, with those lines of business being Fire, Allied Lines & Commercial Multi-peril non-Liability.

Note: The Company advised that the following lines of business have both personal and commercial lines: Fire, Allied Lines and Other Liability - Occurrence. Farmowners MPL is considered a commercial line of business.

V. FINDINGS

A. COMPANY OPERATIONS AND MANAGEMENT

There were no criticisms in this review.

B. COMPLAINTS

1. Complaints - ILDOI

There were no criticisms in this review.

2. Complaints - Consumer

There were no criticisms in this review.

C. PRODUCER LICENSING

There were no criticisms in this survey.

D. RISK SELECTION

1. Personal Lines - Fire - Nonrenewals

No nonrenewals reported.

2. Personal Lines - Fire - Cancellations I - Company Initiated

In one (1) instance, shown below, of two (2) files reviewed, for an error percentage of 50%, the Company failed to notify the named insured of eligibility for the FAIR Plan and the procedure to make application to the FAIR Plan (or one (1) instance out of two (2) files where FAIR Plan notification was required for an error percentage of 50%). This is a violation of 215 ILCS 5/143.22.

Survey #	Policy Number	Issue Date	Criticism
2	██████████	10/10/14	Failed to notify insured of eligibility in FAIR Plan

3. Personal Lines - Fire - Cancellations II - Nonpay

In one (1) instance, shown below, of four (4) files reviewed, for an error percentage of 25%, the Company failed to provide proof of mailing for the notice of cancellation. This is a violation of 215 ILCS 5/143.14(a).

Sample	Policy Number	Criticism
1	██████████	No proof of mailing of notice

4. Personal Lines - Allied Lines - Nonrenewals

No nonrenewals reported.

5. Personal Lines - Allied Lines - Cancellations I - Company Initiated

No cancellations reported.

6. Personal Lines - Allied Lines - Cancellations II - Nonpay

There were no criticisms in this survey.

7. Personal Lines - Other Liability - Occurrence - Nonrenewals

No nonrenewals reported.

8. Personal Lines - Other Liability - Occurrence - Cancellations I - Company Initiated

There were no criticisms in this survey.

9. Personal Lines - Other Liability - Occurrence - Cancellations II - Nonpay

There were no criticisms in this survey.

10. Other Private Passenger Automobile Liability - Nonrenewals

No nonrenewals reported.

11. Other Private Passenger Automobile Liability - Cancellations I - Company Initiated

There were no criticisms in this survey.

12. Other Private Passenger Automobile Liability - Cancellations II - Nonpay

There were no criticisms in this survey.

13. Private Passenger Automobile Physical Damage - Nonrenewals

No nonrenewals reported.

14. Private Passenger Automobile Physical Damage - Cancellations I - Company Initiated

No cancellations reported.

15. Private Passenger Automobile Physical Damage - Cancellations II - Nonpay

There were no criticisms in this survey.

16. Commercial - Nonrenewals

No nonrenewals reported.

17. Commercial - Cancellations I - Company Initiated

There were no criticisms in this survey.

18. Commercial - Cancellations II - Nonpay

There were no criticisms in this survey.

E. UNDERWRITING

1. Personal Lines - Fire - New Business

There were no criticisms in this survey.

2. Personal Lines - Allied Lines - New Business

There were no criticisms in this survey.

3. Personal Lines - Other Liability - Occurrence - New Business

There were no criticisms in this survey.

4. Other Private Passenger Automobile Liability - New Business

No new business reported.

5. Private Passenger Automobile Physical Damage - New Business

No new business reported.

6. Commercial - Renewals

There were no criticisms in this survey.

7. Workers' Compensation - New Business.

There were no criticisms in this survey.

F. CLAIMS

1. Private Passenger Automobile Physical Damage - 1st Party - Paid & Median Study

The median payment period was 21 days distributed as follows:

MEDIAN DISTRIBUTION

Days for Pay	# of Items	Percent
0-30	49	64.47%
31-60	17	22.38%
61-90	6	7.89%
91-180	4	5.26%
181-365	0	0
Over 365	0	0
Total Items	76	100.00%

In two (2) instances, shown below, of 76 files reviewed, for an error percentage of 2.63%, the Company failed to provide a delay letter in claims unresolved for more than 40 days (or two (2) instances out of two (2) files where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(b)(2).

Survey #	Claim #	Date of Loss	Criticism
3		07/18/14	No 40 day delay letter
4		10/02/14	No 40 day delay letter

2. Private Passenger Automobile Physical Damage - 1st Party - CWP

There were no criticisms in this survey.

3. Other Private Passenger Automobile Liability - 3rd Party PD - Paid & Median Study

The median payment period was 20 days distributed as follows:

MEDIAN DISTRIBUTION		
Days for Pay	# of Items	Percent
0-30	49	69.02%
31-60	13	18.30%
61-90	5	7.04%
91-180	2	2.82%
181-365	2	2.82%
Over 365	0	0
Total Items	71	100.00%

There were no criticisms in this survey.

4. Other Private Passenger Automobile Liability - 3rd Party PD - CWP

In one (1) instance out of 16 files reviewed, for an error percentage of 6.25%, the Company failed to provide a delay letter in claims unresolved for more than 60 days (or one (1) instance out of one (1) file where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(b)(3).

Survey #	Claim #	Date of Loss	Criticism
9	██████████	10/2/14	No 60 day delay letter

5. Subrogation - Private Passenger Automobile - Physical Damage - 1st Party - Paid & Median Study (payment to insured)

The median payment period was 17.5 days distributed as follows:

MEDIAN DISTRIBUTION		
Days for Pay	# of Items	Percent
0-30	13	72.22%
31-60	5	27.28%
61-90	0	0
91-180	0	0
181-365	0	0
Over 365	0	0
Total Items	18	100.00%

In three (3) instances, shown below, of 18 files reviewed, for an error percentage of 16.67%, the Company failed to provide a delay letter in claims unresolved for more than 40 calendar days (or three (3) instances out of three (3) files where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(b)(2).

Survey #	Claim #	Date of Loss	Criticism
3		7/10/14	No 40 day Delay Letter
8		11/13/14	No 40 day Delay Letter
11		12/5/14	No 40 day Delay Letter

In one (1) instance, shown below, of 18 files reviewed, for an error percentage of 5.56%, the Company failed to provide claim payment and Exhibit A information within 7 days after the total loss determination (or one (1) instance out of one (1) file where a settlement was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(c).

Survey #	Claim #	Date of Loss	Criticism
11		12/5/14	No seven (7) day settlement

6. Total Loss - Private Passenger Automobile Physical Damage - 1st Party - Paid & Median Study (payment to insured)

The median payment period was 21 days distributed as follows:

MEDIAN DISTRIBUTION

Days for Pay	# of Items	Percent
0-30	14	70%
31-60	6	30%
61-90	0	0
91-180	0	0
181-365	0	0
Over 365	0	0
Total Items	20	100.00%

In one (1) instance, shown below, of 20 files reviewed, for an error percentage of 5.00%, the Company failed to provide a delay letter in claims unresolved for more than 40 calendar days (or one (1) instance out of one (1) file where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(b)(2).

Survey #	Claim #	Date of Loss	Criticism
11		11/15/14	No 40 day Delay Letter

7. Commercial Automobile Physical Damage - 1st Party - Paid

There were no criticisms in this survey.

8. Commercial Automobile Physical Damage - 1st Party - CWP

There were no criticisms in this survey.

9. Other Commercial Automobile Liability - 3rd Party PD - Paid

There were no criticisms in this survey.

10. Other Commercial Automobile Liability - 3rd Party PD - CWP

There were no criticisms in this survey.

11. Subrogation - Commercial Automobile Physical Damage - 1st Party - Paid

There were no criticisms in this survey.

12. Total Loss - Commercial Automobile Physical Damage - 1st Party - Paid

There were no criticisms in this survey.

13. Personal Lines - Property - Fire - 1st Party - Paid & Median Study

The median payment period was 19.5 days distributed as follows:

MEDIAN DISTRIBUTION		
Days for Pay	# of Items	Percent
0-30	3	75.00%
31-60	0	0
61-90	0	0
91-180	1	25.00%
181-365	0	0
Over 365	0	0
Total Items	4	100.00%

In one (1) instance, shown below, of four (4) files reviewed, for an error percentage of 25%, the Company failed to provide a delay letter in claims unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss, whichever is less (or one (1) instance out of one (1) file where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(d)(7)(B).

Survey #	Claim #	Date of Loss	Criticism
1	██████████	8/25/14	No 75/25 Day Letter with Notice of Availability

14. Personal Lines - Property - Fire - 1st Party - CWP

There were no criticisms in this survey.

15. Personal Lines - Property - Allied Lines - 1st Party - Paid & Median Study

The median payment period was 14 days distributed as follows:

MEDIAN DISTRIBUTION		
Days for Pay	# of Items	Percent
0-30	16	84.21%
31-60	3	15.79%
61-90	0	0
91-180	0	0
181-365	0	0
Over 365	0	0
Total Items	19	100.00%

There were no criticisms in this survey.

16. Personal Lines - Property - Allied Lines - 1st Party - CWP

In one (1) instance, shown below, of seven (7) files reviewed, for an error percentage of 14.29%, the Company failed to provide a delay letter in a claim unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss, whichever is less (or one (1) instance out of one (1) file where a delay letter was required for an error percentage of 100%). This is a violation of 50 Ill. Adm. Code 919.80(d)(7)(B).

Survey #	Claim #	Date of Loss	Criticism
3	██████████	11/19/14	No 75/25 Day Letter with Notice of Availability

17. Commercial Property - 1st Party - Paid

There were no criticisms in this survey.

18. Commercial Property - 1st Party - CWP

There were no criticisms in this survey.

VI. INTERRELATED AND/OR ADDITIONAL FINDINGS

The Company is a subsidiary of Ohio Farmers Insurance Company. Two other companies in this group, Westfield National Insurance Company and American Select Insurance Company, share the same platforms and processes. All three were examined in conjunction with one another but with separate reports written. In every instance where a delay letter was required, all three Companies failed to send a letter or one that provided the required availability of the Department of Insurance.

