# Illinois Department of Insurance

BRUCE RAUNER
Governor

JENNIFER HAMMER
Director

VIA ELECTRONIC MAIL

June 6, 2018

Ms. Victoria McCarthy, CPCU, PMP
Head of State and Federal Regulatory Affairs
Farmers Insurance
6303 Owensmouth Avenue
Woodland Hills, CA 91367

**Re: Bristol West Insurance Company, NAIC 19658**
**Illinois Farmers Insurance Company, NAIC 21679**
**Farmers Insurance Exchange, NAIC 21652**
**Truck Insurance Exchange, NAIC 21709**
***Market Conduct Examination Report Closing Letter***

Dear Ms. McCarthy:

The Department has reviewed your Company's proof of compliance and deems it adequate and sufficient. 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

Erica Weyhenmeyer
Temporary Assistant Deputy Director - Market Conduct
Illinois Department of Insurance
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**ILLINOIS DEPARTMENT OF INSURANCE**
**MARKET CONDUCT EXAMINATION OF**

Bristol West Insurance Company
Farmers Insurance Exchange
Illinois Farmers Insurance Company
Truck Insurance Exchange

# MARKET CONDUCT EXAMINATION REPORT

| | |
|---|---|
| DATE OF EXAMINATION: | July 25, 2016 through January 6, 2017 |
| EXAMINATION OF: | Bristol West Insurance Company<br>NAIC Code #19658<br>Farmers Insurance Exchange<br>NAIC Code #21652<br>Illinois Farmers Insurance Company<br>NAIC Code #21679<br>Truck Insurance Exchange<br>NAIC Code #21709 |
| LOCATIONS: | 17000 West 119th Street<br>Olathe, KS 66061<br><br>5665 North Kraft Lake Drive<br>Caledonia, MI 49316<br><br>2245 Sequoia Dr.<br>Aurora, IL 60506 |
| PERIOD COVERED BY EXAMINATION: | March 1, 2015 through February 29, 2016<br>(Complaints were reviewed for the period September 1, 2014 through February 29, 2016 and Workers' Compensation was reviewed for the period of March 1, 2013 through February 29, 2016) |
| EXAMINERS: | Victor M. Negron, Examiner-in-Charge<br>Ben Darnell, Senior Examiner<br>Rita Heimericks-Ash, Senior Examiner<br>Tim Kelley, Senior Examiner<br>Sheri Kenney, Senior Examiner<br>Sara Moler, Examiner<br>Cara Phillips, Senior Examiner<br>Miryam Ramirez, Senior Examiner<br>Wayne Stephens, Senior Examiner<br>Stephen Zellich, Senior Examiner |

## TABLE OF CONTENTS

**I. SUMMARY** ..... 1
**II. BACKGROUND** ..... 5
**III. METHODOLOGY** ..... 8
**IV. FINDINGS** ..... 12
A. Operations and Management ..... 12
B. Complaint Handling ..... 12
C. Marketing and Sales ..... 12
D. Producer Review ..... 13
E. Risk Selection ..... 13
F. Underwriting and Rating ..... 13
G. Claims ..... 17
H. Workers' Compensation – Unit Statistical Reports (USR) ..... 20

## I. SUMMARY

A comprehensive market conduct examination of the Farmers Insurance Group was performed to determine compliance with Illinois statutes and the 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** | **Description of Violation** | **Population** | **Files Reviewed** | **Number of Violations** | **Error %** |
| 1 | 215 ILCS 5/143.17a(b) | DOI Complaints – Company failed to provide timely notice of renewal premium. (TIE) | 16 | 16 | 1 | 6% |
| 2 | 215 ILCS 5/143.17a(a) | DOI Complaints – Company failed to send notice of nonrenewal. (TIE) | 16 | 16 | 1 | 6% |
| 4 | 215 ILCS 5/143.14(a) | Risk Selection (PPA) – Company failed to maintain proof of mailing for the notice of cancellation sent to the insured or lienholder. (BWIC) | 11,314 | 116 | 2 | 2% |
| 5 | 215 ILCS 5/143.15 | Risk Selection (PPA) – Company failed to provide timely notice of cancellation to the lienholder. (BWIC) | 11,314 | 116 | 1 | 1% |
| 8 | 215 ILCS 5/132(2) | Underwriting and Rating (Comm. Auto New Business) – Company failed to provide a copy of the UM selection form. (FIE (3) and TIE (5)) | 62<br>100<br>162 | 43<br>57<br>100 | 3<br>5<br>8 | 7%<br>9%<br>8% |
| 9 | 215 ILCS 5/132(2) | Underwriting and Rating (Comm. Auto Renewals – Company failed to provide a copy of the UM selection form. (FIE (9) and TIE (10)) | 438<br>564<br>1,002 | 43<br>56<br>99 | 9<br>10<br>19 | 21%<br>18%<br>19% |
| 10 | 215 ILCS 5/143.17a(b) | Underwriting and Rating (Comm. Auto Renewals) – Company failed to provide timely notice of premium increase. (FIE (2) and TIE (1)) | 438<br>564<br>1,002 | 43<br>56<br>99 | 2<br>1<br>3 | 5%<br>2%<br>3% |
| 14 | 215 ILCS 5/132(2) | Risk Selection (Commercial Lines) – Company failed to provide a copy of the insured's written request to cancel. (TIE) | 474 | 72 | 1 | 1% |
| 17 | 215 ILCS 5/143.27 | Risk Selection (Commercial Lines) – Company provided an invalid cancellation reason. The cancellation notice was sent due to property condition without first sending a repair request letter. (TIE) | 474 | 72 | 1 | 1% |

| TABLE OF TOTAL VIOLATIONS | | | | | | |
|---|---|---|---|---|---|---|
| **Crit #** | **Statute/Rule** | **Description of Violation** | **Population** | **Files Reviewed** | **Number of Violations** | **Error %** |
| 19 | 50 Ill. Adm. Code 919.50(a)(1) | Claims (HO CWP) – Company failed to include the Notice of Availability of the DOI in the denial letter. (ILFIC) | 1,815 | 6 | 1 | 17% |
| 20 | 50 Ill. Adm. Code 919.50(a)(1) | Claims (HO CWP) – Company failed to include the Notice of Availability of the DOI in the denial letter. (FIE) | 4,001 | 36 | 1 | 3% |
| 24 | 50 Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (Comm. Umbrella Renewals) – Company failed to follow its filed rules/rates manual. The Company charged incorrect rates. (TIE) | 956 | 57 | 3 | 5% |
| 25 | 50 Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (Comm. Umbrella New Business) – Company failed to follow its filed rules/rates manual. The Company charged incorrect rates. (TIE) | 211 | 58 | 5 | 9% |
| 26 | 50 Ill. Adm. Code 919.80(d)(2) | Claims (PPA 3rd Party Paid) Company failed to disclose where the claimant can obtain a rental vehicle for the amount of its payment after paying a flat rental amount. (BWIC) | 1,685 | 26 | 1 | 4% |
| 27 | 50 Ill. Adm. Code 919.80(b)(2) | Claims (PPA Total Losses) – The Company failed to timely send the required delay letter. (ILFIC) | 3,410 | 9 | 1 | 11% |
| 28 | 215 ILCS 5/143b | Claims (PPA Subrogation) – The Company failed to pay full pro-rata deductible share as soon as such amount was collected. (BWIC) | 408 | 6 | 1 | 17% |
| 29 | 50 Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (Homeowners New Business) – Company failed to follow its filed rules/rates manual. The New Household discount was applied incorrectly. (ILFIC) | 10,930 | 92 | 1 | 1% |
| 30 | 50 Ill. Adm. Code 919.50(a)(1) | Claims (PPA 1st Party CWP) – Company failed to provided written notice of claim denial. (BWIC) | 1,012 | 15 | 3 | 20% |
| 32 | 215 ILCS 5/462b | Underwriting and Rating (WC New Business) – Company applied incorrect classifications. (FIE) | 951 | 58 | 4 | 7% |
| 33 | 215 ILCS 5/457(1) | Underwriting and Rating (WC New Business) – Company failed to follow the filed NCCI rates and rules manual. The Company failed to obtain an officer exclusion form. (FIE (28) and TIE (27)) | 951<br>510<br>1,461 | 58<br>58<br>116 | 28<br>27<br>55 | 48%<br>47%<br>47% |

| TABLE OF TOTAL VIOLATIONS | | | | | | |
|---|---|---|---|---|---|---|
| **Crit #** | **Statute/Rule** | **Description of Violation** | **Population** | **Files Reviewed** | **Number of Violations** | **Error %** |
| 34 | 215 ILCS 5/462b | Underwriting and Rating (WC New Business) – Company failed to follow its filed Schedule Rating Plan. The schedule rating documentation does not comply with filed Schedule Rating Plan requirements. (FIE (5) and TIE (43)) | 951<br>510<br>1,461 | 58<br>58<br>116 | 5<br>43<br>48 | 9%<br>74%<br>41% |
| 35 | 215 ILCS 5/462b | Underwriting and Rating (WC New Business) – Company failed to follow its filed Schedule Rating Plan. Company applied its Schedule Rating Plan to ineligible risks. (FIE (3) and TIE (5)) | 951<br>510<br>1,461 | 58<br>58<br>116 | 3<br>5<br>8 | 5%<br>9%<br>7% |
| 37 | 215 ILCS 5/457(1) | Workers' Compensation Unit Statistical Reports (USR) – Company failed to follow the filed NCCI Statistical Plan. (FIE (33) and TIE (32)) | 4,114<br>2,866<br>6,980 | 129<br>140<br>269 | 33<br>32<br>65 | 26%<br>23%<br>24% |
| 38 | 215 ILCS 5/462b | Underwriting and Rating (WC Renewals) – Company applied incorrect classifications. (FIE (2) and TIE (2)) | 3,053<br>2,044<br>5,097 | 57<br>57<br>114 | 2<br>2<br>4 | 4%<br>4%<br>4% |
| 39 | 215 ILCS 5/457(1) | Underwriting and Rating (WC Renewals) – Company failed to follow the filed NCCI rates and rules manual. The Company failed to obtain an officer exclusion form. (FIE (28) and TIE (31)) | 3,053<br>2,044<br>5,097 | 57<br>57<br>114 | 28<br>31<br>59 | 49%<br>54%<br>52% |
| 40 | 215 ILCS 5/462b | Underwriting and Rating (WC Renewals) – Schedule rating documentation does not comply with filed Schedule Rating Plan requirements. (FIE (3) and TIE (14)) | 3,053<br>2,044<br>5,097 | 57<br>57<br>114 | 3<br>14<br>17 | 5%<br>25%<br>15% |
| 41 | 215 ILCS 5/462b | Underwriting and Rating (WC Renewals) – Company applied its Schedule Rating plan to ineligible risks. (FIE (2) and TIE (1)) | 3,053<br>2,044<br>5,097 | 57<br>57<br>114 | 2<br>1<br>3 | 4%<br>2%<br>3% |
| 43 | 50 Ill. Adm. Code 919.50(a)(1) | Claims (HO Paid) – Company failed to include the Notice of Availability of the DOI in the settlement letter when settlement was less than amount claimed. (FIE) | 7,983 | 73 | 3 | 4% |
| 45 | 50 Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (PPA New Business) – Company failed to follow its filed rates/rules manual. Company applied a preferred driver discount to an ineligible policyholder. (BWIC) | 14,161 | 58 | 1 | 2% |

| TABLE OF TOTAL VIOLATIONS | | | | | | |
|---|---|---|---|---|---|---|
| **Crit #** | **Statute/Rule** | **Description of Violation** | **Population** | **Files Reviewed** | **Number of Violations** | **Error %** |
| 46 | 215 ILCS 5/143.25a | Underwriting and Rating (PPA Renewals) – Company failed to notify the insured of the availability of higher deductibles for collision and comprehensive coverage and that a premium savings could result if the higher deductibles were purchased. (BWIC) | 21,965 | 58 | 24 | 41% |
| 47 | 50 Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (PPA Renewals) – Company failed to follow its filed rates/rules manual. Company applied a mature driver discount to an ineligible policyholder and failed to apply the safe driver discount to an eligible insured. (BWIC) | 21,965 | 58 | 2 | 3% |
| 48 | 215 ILCS 5/132(2) and Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (PPA Renewals) – Company failed to follow its filed rates/rules manual. Company failed to provide signed UM Forms. (BWIC) | 21,965 | 58 | 1 | 2% |
| 50 | 215 ILCS 5/132(2) and Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (PPA New Business) – Company failed to follow its filed rates/rules manual. Company failed to provide mature driver discount documentation. (ILFIC) | 24,384 | 92 | 1 | 1% |
| 51 | 215 ILCS 5/132(2) and Ill. Adm. Code 754.10(b)(1) | Underwriting and Rating (PPA Renewals) – Company failed to follow its filed rates/rules manual. Company failed to provide documentation for the application of the good student discount and the affinity group discount. (ILFIC) | 351,106 | 92 | 2 | 2% |
| 52 | 50 Ill. Adm. Code 919.50(a) | Claims (PPA 3rd Party CWP) – Failure to affirm or deny within a reasonable time. (ILFIC) | 7,605 | 20 | 1 | 5% |
| 53 | 50 Ill. Adm. Code 919.80(c) | Claims (PPA 1st Party Paid) – Company failed to send Exhibit A to the insured. (ILFIC) | 30,925 | 78 | 1 | 1% |
| 54 | 820 ILCS 305/19(o) | Claims (WC Paid) – Company failed to provide monthly and annual reports to the insured employers. (FIE (14) and TIE (25)) | 110<br>312<br>422 | 14<br>25<br>39 | 14<br>25<br>39 | 100%<br>100%<br>100% |
| 55 | 820 ILCS 305/8.2(d)(1) and (3) | Claims (WC Paid) – Company failed to timely pay medical bills and failed to pay interest. (TIE) | 312 | 25 | 3 | 12% |

## II. BACKGROUND

The market conduct examination included four (4) companies of the Farmers Insurance Group. Any reference in this report to "Company" includes one or more of the companies included in the examination, however, each company will be identified as shown below when appropriate.

Bristol West Insurance Company

Bristol West Insurance Company ("BWIC") is an Ohio domiciled insurer. It was incorporated on February 9, 1968, and commenced business on June 10, 1968.

Bristol West is an indirect wholly owned subsidiary of Bristol West Holding, Inc., which is an indirect owned subsidiary of Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange.

Bristol West Insurance Company writes private passenger automobile insurance and distributes its products through both exclusive independent contractor insurance agents and independent insurance agents.

BWIC's 2015 NAIC Annual Statement (Page 19 Illinois) reflects the following:

| Line of Business | Direct Premium Written | Direct Premium Earned | Direct Losses Paid | Direct Losses Incurred |
|---|---|---|---|---|
| Other PPA Liability | 16,376,044 | 14,926,962 | 8,071,456 | 10,416,790 |
| PPA Physical Damage | 9,918,074 | 9,004,632 | 5,247,183 | 5,537,266 |

Farmers Insurance Exchange

Farmers Insurance Exchange ("FIE") is located in Woodland Hills, California. FIE is owned by its respective policyholders. The policyholders of FIE appoint an exclusive attorney-in-fact to provide certain non-claims management services to each exchange.

Farmers Group, Inc., dba Farmers Underwriters Association is the attorney-in-fact for Farmers Insurance Exchange and the parent company of Fire Underwriters Association (the attorney-in-fact of Fire Insurance Exchange) and Truck Underwriters Association (the attorney-in-fact of Truck Insurance Exchange).

FIE writes homeowners insurance and small commercial insurance and distributes its products primarily through exclusive independent contractor insurance agents.

FIE's 2015 NAIC Annual Statement (Page 19 Illinois) reflects the following:

| Line of Business | Direct Premium Written | Direct Premium Earned | Direct Losses Paid | Direct Losses Incurred |
|---|---|---|---|---|
| Fire | 99 | 965 | -- | (37) |
| Allied Lines | 1,652 | 2,020 | -- | (251) |

| Line of Business | Direct Premium Written | Direct Premium Earned | Direct Losses Paid | Direct Losses Incurred |
|---|---|---|---|---|
| Homeowners Multi-Peril | 131,596,739 | 124,384,160 | 76,095,214 | 75,348,577 |
| CMP Non-Liability | 7,860,005 | 8,080,714 | 2,976,972 | 2,375,948 |
| CMP Liability | 3,462,920 | 3,706,616 | 1,230,410 | 1,512,273 |
| Inland Marine | 1,965,944 | 1,880,696 | 514,538 | 442,179 |
| Earthquake | 541,742 | 480,826 | -- | 44 |
| Workers' Compensation | 2,540,157 | 2,568,007 | 528,377 | 694,379 |
| Other Liability – Occurrence | 7,160,497 | 6,727,933 | 2,260,450 | 2,812,100 |
| Products Liability | 1,088 | 1,098 | | (8,258) |
| Commercial auto no-fault (personal injury protection) | -- | -- | -- | (20) |
| Other Comm. Auto Liability | 1,275,167 | 1,367,244 | 665,834 | 283,357 |
| PPA Physical Damage | | | | |
| Comm. Auto Physical Damage | 403,644 | 445,530 | 328,431 | 328,082 |
| Fidelity | -- | -- | -- | (143) |
| Boiler & Machinery | 10,918 | 11,169 | -- | (33) |

## Illinois Farmers Insurance Company

Illinois Farmers Insurance Company ("ILFIC") was incorporated on July 8, 1968, under the laws of Illinois and commenced business on December 31, 1969.

All of the ILFIC outstanding capital stock, until June 30, 1974, was held jointly by Farmers Insurance Exchange, Truck Insurance Exchange, Fire Insurance Exchange and Mid-Century Insurance Company. On that date, complete stock ownership was passed to the Farmers Insurance Exchange.

ILFIC writes private passenger automobile, homeowners insurance, and small commercial insurance and distributes its products primarily through exclusive independent contractor insurance agents.

ILFIC's 2015 NAIC Annual Statement (Page 19 Illinois) reflects the following:

| Line of Business | Direct Premium Written | Direct Premium Earned | Direct Losses Paid | Direct Losses Incurred |
|---|---|---|---|---|
| Fire | 51,189 | 52,232 | 38,661 | 34,971 |
| Allied Lines | 14,119 | 14,134 | 2,011 | 1,847 |
| Federal Flood | 2,126,313 | 2,147,480 | 477,535 | 450,130 |
| Homeowners multiple peril | 46,971,251 | 47,905,374 | 25,504,938 | 25,941,952 |
| CMP Non-Liability | 4,729,061 | 4,518,951 | 2,405,816 | 2,238,169 |
| CMP Liability | 853,104 | 1,007,077 | 434,000 | 205,845 |
| Inland Marine | 1,047,264 | 1,087,299 | 247,780 | 242,484 |
| Earthquake | 167,556 | 168,191 | -- | -- |
| Other PPA Liability | 153,141,064 | 151,773,741 | 93,788,507 | 102,905,835 |
| PPA Physical Damage | 104,670,953 | 101,928,530 | 68,199,905 | 67,779,335 |

## Truck Insurance Exchange

Truck Insurance Exchange ("TIE") was organized under the Reciprocal or Inter-Insurance Act of California and commenced business on February 5, 1935.

TIE is based in Woodland Hills, California and is owned by its respective policyholders. The policyholders of TIE appoint an exclusive attorney-in-fact to provide certain non-claims management services to each Exchange. Truck Underwriters Association, a wholly owned subsidiary of Farmers Group, Inc., is the attorney-in-fact for Truck Insurance exchange.

TIE writes small commercial insurance and distributes its property and casualty insurance products primarily through exclusive independent contractor insurance agents.

TIE's 2015 NAIC Annual Statement (Page 19 Illinois) reflects the following:

| Line of Business | Direct Premium Written | Direct Premium Earned | Direct Losses Paid | Direct Losses Incurred |
|---|---|---|---|---|
| Fire | 868 | 837 | -- | 68 |
| Allied Lines | 700 | 684 | -- | (79) |
| CMP Non-Liability | 11,921,137 | 11,704,279 | 4,890,123 | 4,109,826 |
| CMP Liability | 4,741,444 | 4,554,743 | 1,223,478 | 1,100,093 |
| Inland Marine | 5,650 | 6,863 | (5,325) | (5,596) |
| Earthquake | 2,692 | 2,633 | | 58 |
| Workers' Compensation | 6,187,134 | 6,451,114 | 2,647,818 | 2,411,948 |
| Other Liability - Occurrence | 1,472,656 | 1,450,480 | 2,180,049 | 2,082,988 |
| Products Liability | 2,498 | 2,486 | -- | (66,239) |
| Other Commercial Liability | 2,080,130 | 2,103,388 | 1,767,937 | 659,665 |
| Commercial Auto Physical Damage | 657,264 | 647,561 | 469,927 | 466,533 |
| Fidelity | -- | -- | -- | (344) |
| Burglary and Theft | 59 | 53 | -- | |
| Boiler and Machinery | 20,063 | 24,261 | -- | (604) |

## III. METHODOLOGY

The market conduct examination reviews a company's systems and procedures used in dealing with insureds and claimants. The period under review was generally March 1, 2015 through February 29, 2016. The following categories were the general areas examined:

A. Operations and Management
B. Complaint Handling
C. Marketing and Sales
D. Producer Review
E. Risk Selection
F. Underwriting and Rating
G. Claims
H. Workers' Compensation – Unit Statistical Reports (USR)

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

Criticisms were provided to the Company addressing violations discovered in the review processes. All valid criticisms were incorporated in 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 Company-generated data. The sample sizes were 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 Company for retrieval. Some samples were determined on a group basis and sample sizes were allocated proportionally to each company by the entire population of policies and claims for each company.

Operations and Management

The review of the Company's Operations and Management is designed to determine how the Company operates. Examiners reviewed both publicly available documents, such as prior market conduct examinations and annual statements, as well as internal documents, such as Company policies/procedures and third party administrator (TPA) contracts. Company privacy forms were also reviewed.

The Company did not provide copies of internal audit reports invoking its insurance compliance self-evaluative audit privilege under 215 ILCS 5/155.35, therefore, internal audits were not reviewed.

In addition, examiners reviewed the Market Conduct Annual Statement (MCAS) data and submissions for calendar years 2013, 2014 and 2015 to ensure accuracy and completeness.

Complaint Handling

Complaints sent to the Illinois Department of Insurance and directly to the Company for the period September 1, 2014 through February 29, 2016, were reviewed for compliance with applicable state laws and Company guidelines.

Department of Insurance (DOI) Complaints – The population request for this category consisted of complaints received by the Illinois Department of Insurance during the examination period. The Company's complaint log 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 (Non-DOI) Complaints – The population request for this category consisted of complaints received directly from consumers during the examination period. The Company's complaint log 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

The Marketing and Sales portion of the examination is designed to evaluate the representations made by the Company about its products or services. The items requested for this category consisted of all sales, advertising, producer training and producer communications created during the examination period.

Producer Review

Producer licensing and terminations were reviewed for compliance with statutory requirements. Producer licensing was reviewed as part of the new business samples selected for the underwriting and rating reviews. Duplicate producers were removed from the sample.

Risk Selection

Cancellations, nonrenewals and rescissions were reviewed for compliance with statutory requirements and to ensure reasons for termination were valid and not unfairly discriminatory. Samples were selected based on transactions occurring during the period under examination.

Underwriting and Rating

The Underwriting and Rating sample consisted of new and renewal business and was selected based on the inception and renewal date occurring during the period under examination. Policies were reviewed for rating accuracy, use of filed rates, use of filed forms, and compliance with Company underwriting guidelines.

Claims

Claims were selected based on settlement occurring within the period under examination. Claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1, *et seq.*), the Illinois Workers' Compensation Act (820 ILCS 305/1, *et seq.*) and the Illinois Administrative Code (50 Ill. Adm. Code 101 *et seq.*). Reviews were conducted of both claims paid and those closed without payment (CWP).

Workers' Compensation – Unit Statistical Reports (USR)

The accuracy and completeness of the workers' compensation unit's statistical information reported to the National Council on Compensation Insurance (NCCI) was tested.

**SELECTION OF SAMPLES**

**Farmers Insurance Group**

The following figures are for the companies combined:

| | | Total Files | # Reviewed | % Reviewed |
|---|---|---|---|---|
| A. | Operations and Management | | | |
| | 1. Internal/External Audits | 0 | 0 | 0% |
| | 2. Market Conduct Reports | 10 | 10 | 100% |
| | 3. TPA Contracts | 12 | 12 | 100% |
| | 4. Privacy Forms | 12 | 12 | 100% |
| | 5. MCAS Reports (3 years) | 12 | 12 | 100% |
| B. | Complaint Handling | | | |
| | 1. DOI Complaints | 118 | 118 | 100% |
| | 2. Consumer (Non-DOI) Complaints | 198 | 158 | 80% |
| C. | Marketing and Sales | | | |
| | 1. Marketing and Sales | 91 | 91 | 100% |
| D. | Producer Review | | | |
| | 1. Producer Licensing | 79,996 | 417 | 1% |
| | 2. Producer Termination | 2,250 | 425 | 19% |
| E. | Risk Selection | | | |
| | 1. Cancellations, Nonrenewals and Rescissions | 76,118 | 520 | 1% |

F. Underwriting and Rating

| | | | | |
|---|---|---|---|---|
| 1. | Auto New Business | 38,545 | 150 | <1% |
| 2. | Auto Renewals | 373,071 | 150 | <1% |
| 3. | HO New Business | 38,518 | 184 | <1% |
| 4. | HO Renewals | 157,659 | 184 | <1% |
| 5. | WC New Business | 1,461 | 116 | 8% |
| 6. | WC Renewals | 5,097 | 114 | 2% |
| 7. | Commercial Auto New Business | 162 | 100 | 62% |
| 8. | Commercial Auto Renewal | 1,002 | 99 | 10% |
| 9. | Commercial Umbrella New Business | 211 | 57 | 27% |
| 10. | Commercial Umbrella Renewals | 956 | 57 | 6% |
| 11. | CMP/BOP New Business | 1,099 | 116 | 11% |
| 12. | CMP/BOP Renewals | 6,375 | 114 | 2% |

G. Claims

| | | | | |
|---|---|---|---|---|
| 1. | Auto 1st-party Paid | 33,965 | 123 | <1% |
| 2. | Auto 1st-party CWP | 9,504 | 37 | <1% |
| 3. | Auto 3rd-party Paid | 12,159 | 53 | <1% |
| 4. | Auto 3rd-party CWP | 8,285 | 30 | <1% |
| 5. | Auto Total Losses Paid | 3,913 | 16 | <1% |
| 6. | Auto Subrogation | 5,590 | 19 | <1% |
| 7. | Homeowners Paid | 11,357 | 82 | 1% |
| 8. | Homeowners CWP | 5,816 | 42 | 1% |
| 9. | Comm. Auto 1st-party Paid | 201 | 19 | 9% |
| 10. | Comm. Auto 1st-party CWP | 145 | 14 | 10% |
| 11. | Comm. Auto 3rd-party Paid | 167 | 18 | 11% |
| 12. | Comm. Auto 3rd-party CWP | 40 | 8 | 20% |
| 13. | Comm. Auto Total Losses Paid | 88 | 4 | 5% |
| 14. | Workers' Compensation Paid | 422 | 39 | 9% |
| 15. | Workers' Compensation CWP | 137 | 13 | 9% |
| 16. | Other Commercial Paid | 434 | 19 | 4% |
| 17. | Other Commercial CWP | 542 | 24 | 4% |

H. Workers' Compensation Unit Statistical Reports (USR)

| | | | | |
|---|---|---|---|---|
| 1. | Premium Side | 6,558 | 230 | 4% |
| 2. | Claims Side | 422 | 39 | 9% |

## IV. FINDINGS

A. Operations and Management

1. Internal/External Audits

The Company invoked its insurance compliance self-evaluative audit privilege under 215 ILCS 5/155.35 and did not provide copies of internal audit reports for the examiners to review.

2. Market Conduct Reports

No violations were noted.

3. TPA Contracts Review

No violations were noted.

4. Privacy Forms Review

No violations were noted.

5. Market Conduct Annual Statement (MCAS)

No violations were noted.

B. Complaint Handling

1. Department of Insurance Complaints

In one (1) complaint reviewed, the Company failed to provide timely notice of renewal premium as required by 215 ILCS 5/143.17a(b) (Crit #1). This finding was applicable to TIE.

In one (1) complaint reviewed, the Company failed to send notice of nonrenewal as required by 215 ILCS 5/143.17a(a) (Crit #2). This finding was applicable to TIE.

2. Consumer (Non-Department of Insurance) Complaints

No violations were noted.

C. Marketing and Sales

No violations were noted.

D. Producer Review

1. Producer Licensing

No violations were noted.

2. Producer Terminations

No violations were noted.

E. Risk Selection

1. Cancellations, Nonrenewals and Rescissions

In two (2) auto cancellations reviewed, the Company failed to maintain proof of mailing of the notice of cancellation that was sent to the insured and/or lienholder as required by 215 ILCS 5/143.14(a) (Crit #4). These findings were applicable to BWIC.

In one (1) auto cancellation reviewed, the Company failed to provide timely notice of cancellation to the lienholder as required by 215 ILCS 5/143.15 (Crit #5). This finding was applicable to BWIC.

In one (1) commercial lines cancellation reviewed, the Company failed to provide a copy of the insured's written request to cancel as required by 215 ILCS 5/132(2) (Crit #14). This finding was applicable to TIE.

In one (1) commercial lines cancellation reviewed, the Company failed to provide a valid cancellation reason as required by 215 ILCS 5/143.27 (Crit #17). The cancellation notice was sent based on the condition of the property, without first sending a repair request letter. This finding was applicable to TIE.

F. Underwriting and Rating

1. Auto – New Business

In one (1) auto policy reviewed, the Company failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #45). The Company applied a preferred driver discount to an ineligible policyholder. This error resulted in an undercharge. This finding was applicable to BWIC.

In one (1) auto policy reviewed, the Company failed to provide mature driver discount documentation as required by 215 ILCS 5/132(2) and failed

to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #50). This finding was applicable to ILFIC.

2. Auto – Renewals

In 24 auto policies reviewed, the Company failed to notify the insured of the availability of higher deductibles for collision and comprehensive coverage and that a premium savings could result if the higher deductibles were purchased as required by 215 ILCS 5/143.25a (Crit #46). These findings were applicable to BWIC.

In two (2) auto policies reviewed, the Company failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #47). The Company applied a mature driver discount to an ineligible policyholder and failed to apply the safe driver discount to an eligible insured. These errors resulted in one (1) undercharge and one (1) overcharge. The overcharge amount was determined to be $15.12 and the refund was issued during the examination. These findings were applicable to BWIC.

In one (1) auto policy reviewed, the Company failed to provide signed UM form as required by 215 ILCS 5/132(2) and failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #48). This finding was applicable to BWIC.

In two (2) auto policies reviewed, the Company failed to provide documentation for the application of the good student discount and the affinity group discount as required by 215 ILCS 5/132(2) and failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #51). This finding was applicable to ILFIC.

3. Homeowners – New Business

In one (1) homeowners policy reviewed, the Company failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #29). The New Household discount should not have been applied. This error resulted in an undercharge. This finding was applicable to ILFIC.

4. Homeowners – Renewals

No violations were noted.

5. Workers' Compensation – New Business

In four (4) workers' compensation policies reviewed, the Company failed to follow the filed NCCI rate/rule as required by 215 ILCS 5/462b (Crit #32). The Company applied incorrect classifications. These errors did not

result in any difference in premium since the rate was the same. These findings were applicable to FIE.

In 55 workers' compensation policies reviewed, the Company failed to follow the filed NCCI rates and rules manual as required by 215 ILCS 5/457(1) (Crit #33). The Company failed to obtain an officer exclusion form. These findings were applicable to FIE (28) and TIE (27).

In 48 workers' compensation policies reviewed, the Company failed to follow its filed Schedule Rating Plan as required by 215 ILCS 5/462b (Crit #34). The filed plan states; *"All schedule credits and debits shall be based on evidence that is contained in the file at the time the credit/debit is applied."* The schedule rating supporting documentation provided does not comply with filed Schedule Rating Plan requirements. These findings were applicable to FIE (5) and TIE (43).

In eight (8) workers' compensation policies reviewed, the Company failed to follow its filed Schedule Rating Plan as required by 215 ILCS 5/462b (Crit #35). The Company applied its Schedule Rating Plan to ineligible risks. These errors resulted in seven (7) undercharges totaling $1,921.00 and one (1) overcharge of $20.00. The overcharge was refunded during the examination. These findings were applicable to FIE (3) and TIE (5).

6. Workers' Compensation – Renewals

In four (4) workers' compensation policies reviewed, the Company failed to follow the filed NCCI rate/rule as required by 215 ILCS 5/462b (Crit #38). The Company applied incorrect classifications. Three (3) of these errors resulted in undercharges totaling $21,069.00 and one (1) resulted in no premium difference. These findings were applicable to FIE (2) and TIE (2).

In 59 workers' compensation policies reviewed, the Company failed to follow the filed NCCI rates and rules manual as required by 215 ILCS 5/457(1) (Crit #39). The Company failed to obtain an officer exclusion form. These findings were applicable to FIE (28) and TIE (31).

In 17 workers' compensation policies reviewed, the Company failed to follow its filed Schedule Rating Plan as required by 215 ILCS 5/462b (Crit #40). The filed plan states; *"All schedule credits and debits shall be based on evidence that is contained in the file at the time the credit/debit is applied."* The schedule rating supporting documentation provided does not comply with filed Schedule Rating Plan requirements. These findings were applicable to FIE (3) and TIE (14).

In three (3) workers' compensation policies reviewed, the Company failed to follow its filed Schedule Rating Plan as required by 215 ILCS 5/462b (Crit #41). The Company applied its Schedule Rating Plan to ineligible risks. These errors resulted in one (1) undercharge of $527.00 and two (2) overcharges totaling $123.00. The overcharges were refunded during the examination. These findings were applicable to FIE (2) and TIE (1).

7. Commercial Auto – New Business

In eight (8) commercial auto policies reviewed, the Company failed to provide a signed UM form as required by 215 ILCS 5/132(2) (Crit #8). These findings were applicable to FIE (3) and TIE (5).

8. Commercial Auto – Renewals

In 19 commercial auto policies reviewed, the Company failed to provide a signed UM form as required by 215 ILCS 5/132(2) (Crit #9). These findings were applicable to FIE (9) and TIE (10).

In three (3) commercial auto policies reviewed, the Company failed to provide timely notice of premium increase as required by 215 ILCS 5/143.17a(b) (Crit #10). These findings were applicable to FIE (2) and TIE (1).

9. Commercial Umbrella – New Business

In five (5) commercial umbrella policies reviewed, the Company failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #25). In five (5) instances, the Company charged an incorrect rate as it applied a $3.00 rate rather than the $3.60 rate that was filed. These errors resulted in undercharges. These findings were applicable to TIE.

10. Commercial Umbrella – Renewals

In three (3) commercial umbrella policies reviewed, the Company failed to follow its filed rates/rules manual as required by 50 Ill. Adm. Code 754.10(b)(1) (Crit #24). In two (2) instances, the Company charged an incorrect rate as it applied a $3.00 rate rather than the $3.60 rate that was filed. In one (1) instance, the Company charged a pro-rata premium on a full term policy. These errors resulted in undercharges. These findings were applicable to TIE.

11. Commercial Multi-Peril (CMP)/Business Owners Policy (BOP) – New Business

No violations were noted.

12. CMP/BOP – Renewals

No violations were noted.

G. Claims

1. Auto – First-party Paid

In one (1) claim reviewed, the Company failed to send an Exhibit A letter as required by 50 Ill. Adm. Code 919.80(c) (Crit #53). This finding was applicable to ILFIC.

2. Auto – First-party Closed Without Payment

In three (3) claims reviewed, the Company failed to provide written denial letter as required by 50 Ill. Adm. Code 919.50(a)(1) (Crit #30). These findings were applicable to BWIC.

3. Auto – Third-party Paid

In one (1) claim reviewed, the Company failed to disclose to the claimant where the claimant can obtain a vehicle for the amount of its payment after paying a flat rental amount as required by 50 Ill. Adm. Code 919.80(d)(2) (Crit #26). This finding was applicable to BWIC.

4. Auto – Third-party Closed Without Payment

In one (1) claim reviewed, the Company failed to affirm or deny the claim within a reasonable time as required by 50 Ill. Adm. Code 919.50(a) (Crit #52). This finding was applicable to ILFIC.

5. Auto – Total Losses

In one (1) claim reviewed, the Company failed to timely send the claim delay letter as required by 50 Ill. Adm. Code 919.80(b)(2) (Crit #27). This finding was applicable to ILFIC.

6. Auto – Subrogation

In one (1) claim reviewed, the Company failed to pay full pro-rata deductible share as soon as such amount was collected as required by 215 ILCS 5/143b (Crit #28) This finding was applicable to BWIC.

7. Homeowners – Paid

In three (3) claims reviewed, the Company failed to include the Notice of Availability of the Illinois Department of Insurance in the settlement letter when settlement was less than the amount claimed as required by 50 Ill. Adm. Code 919.50(a)(1) (Crit #43). These findings were applicable to FIE.

8. Homeowners – Closed Without Payment

In two (2) claims reviewed, the Company failed to include the Notice of Availability of the Illinois Department of Insurance in the denial letter as required by 50 Ill. Adm. Code 919.50(a)(1) (Crits #19 and 20). These findings were applicable to FIE (1) and ILFIC (1).

9. Commercial Auto – First-party Paid

No violations were noted.

10. Commercial Auto – First-party Closed Without Payment

Examiners noted during the examination that TIE previously used thresholds on paint or materials when estimating vehicle repairs. The Company, however, voluntarily eliminated the use of such thresholds prior to the exam in compliance with 215 ILCS 5/154.6(j), so no violations were noted.

11. Commercial Auto – Third-party Paid

No violations were noted.

12. Commercial Auto – Third-party Closed Without Payment

No violations were noted.

13. Commercial Auto – Total Losses

No violations were noted.

14. Workers' Compensation – Paid

In 39 claims reviewed, the Company failed to provide monthly and annual reports to the insured employers as required by 820 ILCS 305/19(o) (Crit #54). The Company stated that as part of the claims process the required information is communicated to the insured verbally and provided dates on which these communications occurred. This process does not fully comply with the requirements of 820 ILCS 305/19(o). The communications did not occur on a monthly basis and at the time of the policy expiration as required. These findings were applicable to FIE (14) and TIE (25).

In three (3) claims reviewed, the Company failed to timely pay medical bills and failed to pay interest as required by 820 ILCS 305/8.2(d)(1) and 820 ILCS 305/8.2(d)(3) (Crit #55). The Company failed to timely pay four (4) medical bills within 30 days. In addition, there was no evidence that interest was paid on each of the four (4) affected medical bills. The Company was requested to make interest payments as required and to provide supporting documentation showing each interest payment was made. These payments were made during the examination. These findings were applicable to TIE.

15. Workers' Compensation – Closed Without Payment

No violations were noted.

16. All Other Commercial – Paid

No violations were noted.

17. All Other Commercial – Closed Without Payment

No violations were noted.

H. Workers' Compensation – Unit Statistical Reports (USR)

1. Premium Side

In 65 USR's reviewed, the Company failed to follow NCCI's filed Statistical Plan as required by 215 ILCS 5/457(1) (Crit #37). The Company failed to report the WC/PC discounts in 57 instances, Safety discounts in four (4) instances, the correct audited premium in three (3) instances and an experience modification factor in one (1) instance. These findings were applicable to FIE (33) and TIE (32).

2. Claims Side

No violations were found.

STATE OF FLORIDA )
) ss
COUNTY OF MARION )

Victor M. Negron, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Bristol West Insurance Company, NAIC #19658; Farmers Insurance Exchange, NAIC Code #21652; Illinois Farmers Insurance Company, NAIC Code #21679 and Truck Insurance Exchange, NAIC Code #21709 (the "Company"),

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.

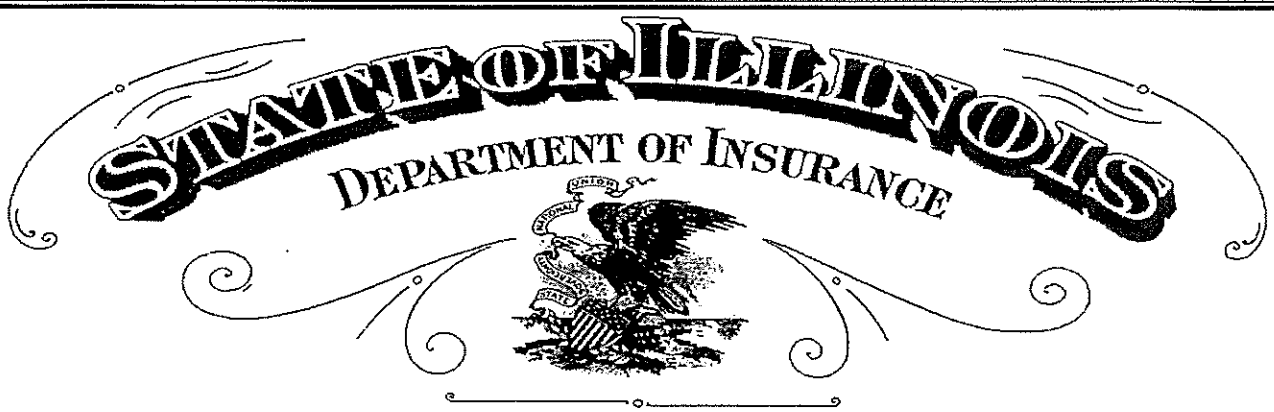
Examiner-In-Charge

Subscribed and sworn to before me
this 3rd day of February, 2017.

Notary Public

NOTARY PUBLIC STATE OF FLORIDA

Reynaldo Alvarez
State of Florida
MY COMMISSION NO. FF 124633
Expires: May 19, 2018
Bonded through Western Surety Company




IN THE MATTER OF:

**BRISTOL WEST INSURANCE COMPANY**
**FARMERS INSURANCE EXCHANGE**
**C/O FARMERS UNDERWRITERS ASSOCIATION**
**TRUCK INSURANCE EXCHANGE**
**C/O TRUCK UNDERWRITERS ASSOCIATION**
**6301 OWENSMOUTH AVENUE**
**WOODLAND HILLS, CA 91367**

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, Bristol West Insurance Company ("BWIC"), NAIC 19658, Farmers Insurance Exchange ("FIE"), NAIC 21652, and Truck Insurance Exchange ("TIE"), NAIC 21709, collectively referred to as "the Company," are 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.*), the Worker's Compensation Act (820 ILCS 305/1 *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 FIE and TIE shall provide examiners adequate access to all books, records, documents, and any or all papers relating to the business, performance, operations, and affairs of the Company as required by 215 ILCS 5/132(2).

2. Institute and maintain policies and procedures whereby BWIC shall provide the insured an explanation of the basis of the lower offer or denial within 30 days after determination of liability and a Notice of Availability of the Department of Insurance as required by 50 Ill. Adm. Code 919.50(a)(1).

3. Institute and maintain policies and procedures whereby FIE and TIE shall file with the Director every manual of classifications, every manual of rules and rates, every rating plan and every modification of the foregoing which it intends to use not later than 30 days after they become effective as required by 215 ILCS 5/457(1).

4. Institute and maintain policies and procedures whereby TIE shall apply the correct classifications, payrolls and other factors of a rating system to compute premiums as required by 215 ILCS 5/462b.

5. Institute and maintain policies and procedures whereby BWIC informs automobile policyholders, prior to the first renewal, that they could purchase such renewal at a premium savings for collision and comprehensive coverage if higher deductibles are purchased as is required by 215 ILCS 5/143.25a.

6. Institute and maintain policies and procedures whereby FIE and TIE shall notify the insured employer by the 15th day of each month of any workers' compensation compensable claim incurred during the preceding month and the amounts paid or reserved including a summary and brief statement of the reasons for compensability. FIE and TIE shall also furnish the insured employer a cumulative report of all claims incurred during the calendar year or continued from the previous year within 30 days after the end of the year as required by 820 ILCS 305/19(o).

7. Institute and maintain policies and procedures whereby TIE shall ensure claims submitted by providers are paid within 30 days of receipt of the bill which contains substantially all of the required data elements necessary to adjudicate the bill, and shall ensure interest is paid at a rate of one percent (1%) per month on any bill or portion unpaid within such 30 day period as required by 820 ILCS 305/8.2(d)(1) and by 820 ILCS 305/8.2(d)(3).

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 $33,850 to be paid within 30 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 BRISTOL WEST INSURANCE COMPANY, FARMERS INSURANCE EXCHANGE and TRUCK INSURANCE EXCHANGE

Victoria L. McCarthy
Signature

Victoria L. McCarthy
Name
Vice President of Bristol West Insurance Company
Vice President of Truck Underwriters Association, Attorney in fact for Truck Insurance Exchange
Vice President Farmers Group, Inc., Attorney in fact for Farmers Insurance Exchange
Title

~~Subscribed and sworn to before me this~~
~~____ day of _____ 2018.~~

See Attached CA Notary Certificate
Notary Public

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE 5/16/18

Jennifer Hammer
Director

**CALIFORNIA JURAT WITH AFFIANT STATEMENT** **GOVERNMENT CODE § 8202**

☑ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

1
2
3
4
5
6

*Signature of Document Signer No. 1* *Signature of Document Signer No. 2 (if any)*

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 Los Angeles

Subscribed and sworn to (or affirmed) before me on this 9th day of May, 20 18,
*Date* *Month* *Year*
by
(1) Victoria L. McCarthy
(and (2) ),
*Name(s) of Signer(s)*

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

CRYSTA L. PARKS
Notary Public - California
Los Angeles County
Commission # 2180624
My Comm. Expires Jan 21, 2021

Signature
*Signature of Notary Public*

*Seal*
*Place Notary Seal Above*

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**
**Title or Type of Document:** Stipulation & Consent Order Bristol West Ins. Co. **Document Date:** 5/9/18
**Number of Pages:** 1 **Signer(s) Other Than Named Above:** None

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