

**DELAWARE DEPARTMENT OF INSURANCE**  
**MARKET CONDUCT EXAMINATION REPORT**

**WINDSOR MOUNT JOY INSURANCE COMPANY**  
**Authority # 26166-20-713**

**21 West Main Street**  
**Ephrata, PA 17522**

**As of**

**September 30, 2020**

Trinidad Navarro  
Commissioner



Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of September 30, 2020 on

**WINDSOR MOUNT JOY INSURANCE COMPANY**

is a true and correct copy of the document filed with this Department.

Attest By:



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 7 day of June, 2021.

Trinidad Navarro  
Insurance Commissioner

Trinidad Navarro  
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION  
OF THE  
**WINDSOR MOUNT JOY INSURANCE COMPANY**  
AS OF  
September 30, 2020

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.



In Witness Whereof, I have hereunto set my hand  
and affixed the official seal of this Department at the  
City of Dover, this 7 day of June, 2021.

*Trinidad Navarro*

Trinidad Navarro  
Insurance Commissioner

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Honorable Trinidad Navarro  
Insurance Commissioner  
State of Delaware  
1351 West North Street  
Suite 101  
Dover, Delaware 19904

Dear Commissioner Navarro:

In compliance with the instructions contained in Examination Authority Numbers 26166-20-713 and pursuant to statutory provisions including 18 *Del. C.* §§ 318-322, a Market Conduct Examination has been conducted of the affairs and practices of:

**Windsor Mount Joy Mutual Insurance Company – NAIC #26166**

The examination was performed as of September 30, 2020.

The examination was conducted off-site, performed at the offices of the Delaware Department of Insurance, hereinafter referred to as the Department, or other suitable locations.

The report of examination herein is respectfully submitted.

## EXECUTIVE SUMMARY

Windsor Mount Joy Insurance Company (“the Company”) is a Pennsylvania domiciled property and casualty insurance company, currently writing insurance in eight states.

The examination was a targeted review of the Company’s personal lines property book of business in the following areas of operation: Consumer Complaint Handling and Claims. The examination period was January 1, 2019 through September 30, 2020.

The following exceptions were noted during the review of Consumer Complaint Handling and Claims.

### 10 Exceptions

#### 18 *Del. Admin. C. § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices*

*1.2.1.5 Failing to affirm or deny coverage or a claim or advise the person presenting the claim, in writing, or other proper legal manner, of the reason for the inability to do so, within 30 days after proof of loss statements have been received by the insurer.*

The Company failed to provide a coverage decision within 30 days or provide a reason why such a decision could not be made in ten claims.

## SCOPE OF EXAMINATION

The Market Conduct Examination was conducted pursuant to the authority granted by 18 *Del. C. §§ 318 - 322* and covered the experience period of January 1, 2019 through September 30, 2020. The purpose of the examination was to determine compliance by the Company with applicable Delaware laws and regulations.

The examination was a targeted review of the Company’s activities related to its personal lines property book of business in the following areas of operation: Consumer Complaint Handling and Claims.

## METHODOLOGY

This examination was performed in accordance with Market Regulation standards established by the Department and examination procedures suggested by the NAIC. While the examiners report on the errors found in individual files, the examination also focuses on general business practices of the Windsor Mount Joy Insurance Company.

The Company identified the universe of files for each segment of the review. Based on the universe sizes, random sampling was utilized to select the files reviewed during this examination.

Delaware Market Conduct Examination Reports generally note only those items to which the Department, after review, takes exception. An exception is any instance of Company activity that does not comply with an insurance statute or regulation. Exceptions contained in the Report may result in imposition of penalties. Generally, practices, procedures, or files that were reviewed by Department examiners during the course of an examination may not be referred to in the Report if no improprieties were noted. However, the Examination Report may include management recommendations addressing areas of concern noted by the Department, but for which no statutory violation was identified. This enables Company management to review these areas of concern in order to determine the potential impact upon company operations or future compliance. Throughout the course of the examination, company officials were provided status memoranda, which referenced specific complaint, policy and/or claim numbers with citation to each section of law violated. Additional information was requested to clarify apparent violations. Written summaries were provided to the Company on the exceptions found. An exit conference was conducted with Company officials to discuss the various types of exceptions identified during the examination and to review written summaries provided on the exceptions found.

## **COMPANY HISTORY AND PROFILE**

The Company history dates back to August 4, 1844 when this mutual company was organized under the title Mount Joy Township Mutual Fire Insurance Association. On January 10, 1944, the name was changed to Mount Joy Mutual Insurance Company. Windsor Mutual Insurance Company merged with Mount Joy Mutual Insurance Company on December 31, 1963. At that time, the name was changed to Windsor Mount Joy Mutual Insurance Company and the administrative offices were moved from Mount Joy, PA to Hamburg, PA. On December 23, 1966, Windsor acquired and gained financial control of Eastern Shore of Virginia Fire Insurance Company, Inc. in Keller, VA. In the next ten years, two companies were absorbed by mergers, Farmers American Mutual Fire Insurance Company of Bucks County and Towamensing Mutual Insurance Company. The administrative offices moved from Hamburg, PA to Ephrata, PA in 1982 and have continued operations ever since. On March 31, 2009 Farmers Mutual Insurance Company of Dug Hill, MD is absorbed by merger, and on September 30, 2010 Washington Mutual Fire Insurance Company of Lawrence County, PA was absorbed by merger. Currently Windsor Mount Joy writes personal lines and commercial lines in nine states.

According to their 2020 Annual Statement, the Company reported total direct premiums written in the amount of \$8,940,361 for the state of Delaware, and \$47,890,502 for the United States.

## **CONSUMER COMPLAINT HANDLING**

The Company was requested to provide a listing of all complaints pertaining to personal lines property during the examination period of January 1, 2019 through September 30, 2020. The Company was asked to include complaints received from the Delaware Department of Insurance, as well as complaints made directly to the Company on behalf of Delaware consumers. The Company captures complaints in an Underwriting Complaint log and a Claims Complaint log. Management reviews these logs monthly. The Company

provided a list of ten (10) complaints that were filed with the Company during the examination period. All came from the Department.

The eleven complaint files were reviewed for compliance with the Delaware statutes and regulations including, but not limited to 18 *Del. C.* §2304(17), Insurance Department Bulletins and NAIC Market Regulation Handbook Standards in Chapter 16. Complaint files involving claims were also reviewed for compliance with 18 *Del. C.* § 2304(26) and 18 *Del. Admin. C.* 902 §1.2.1.2.

18 *Del. C.* §2304(17) requires the Company to maintain a complete record of all complaints received since the date of its last examination. The record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of the complaint and the time it took to process each complaint. The Company certified that, in addition to the two claims logs presented, they have like records for the time period since the prior examination.

The Company also provided their Complaint Handling guidelines and procedures. These were reviewed and found sufficient.

There were no exceptions.

## **CLAIMS**

The examination of Claims was conducted and performed to verify the Company's compliance with Delaware Statutes and Regulations, Insurance Department Bulletins and NAIC Market Regulation Handbook Standards in Chapters 16 & 17. The Company was asked to provide a listing of all Paid, Closed Without Payment (CWP) and Denied personal property claims made during the examination period, along with relevant copies of all personal property claims procedure manuals and reference & training materials. Copies of all newsletters, bulletins and the similar documents regularly sent to claims adjusters were also requested, however the Company indicated such material is not utilized. The Company communicates ad hoc, usually an e-mail, meeting, or phone call, to both in-house and independent claims adjusters when there is an interest or need, such as when preparing for a catastrophe or policy change. The Company allowed remote access to their Claims system to conduct the review.

Copies of all Delaware internal claim audit reports were also requested. The Company did not have any such reports. Instead, the Company provided a spreadsheet listing 363 claims that they reviewed internally. The review of these did not reveal any significant issues.

A list of all licensed adjusters who are employees of the Company was requested and provided. The review showed all claims adjusted in-house were performed by these employees.

A list of third parties used in adjusting and handling of claims was requested and provided. The review showed all claims adjusted and handled were done by the third-party company



listed and/or third-party adjuster identified.

#### Paid Claims

The Company was asked to provide a listing of all property claims Paid during the examination period of January 1, 2019 through September 30, 2020. The Company provided a universe of 853 Paid claims during the examination period. Of these 853 claims, a random sample of 105 claims was selected for review. All 105 claims were reviewed for compliance with applicable Delaware Statutes and Regulations, Insurance Department Bulletins and NAIC Market Regulation Handbook Standards in Chapters 16 & 17.

The following exception was noted.

#### **1 Exception: 18 Del. Admin. Code § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices**

The Company failed to provide a coverage decision within 30 days or provide a reason why such a decision could not be made in one Paid claim.

*Recommendation:* It is recommended that the Company provide additional training to ensure compliance with 18 Del. Admin. C. § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices.

#### Closed Without Payment (CWP) Claims

The Company was asked to provide a listing of all property claims Closed Without Payment (CWP) during the examination period of January 1, 2019 through September 30, 2020. The Company provided a universe of 175 claims during the examination period. Of these 175 claims, a random sample of 76 claims was selected for review. All 76 claims were reviewed for compliance with applicable Delaware Statutes and Regulations, Insurance Department Bulletins and NAIC Market Regulation Handbook Standards in Chapters 16 & 17.

The following exceptions were noted.

#### **4 Exceptions: 18 Del. Admin. Code § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices**

The Company failed to provide a coverage decision within 30 days or provide a reason why such a decision could not be made in four CWP claims.

*Recommendation:* It is recommended that the Company provide additional training to ensure compliance with 18 Del. Admin. C. § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices.

#### Denied Claims

The Company was asked to provide a listing of all property claims Denied during the examination period of January 1, 2019 through September 30, 2020. The Company

provided a universe of 99 Denied claims during the examination period. Of these 99 claims, a random sample of 76 claims was selected for review. All 76 claims were reviewed for compliance with applicable Delaware Statutes and Regulations, Insurance Department Bulletins and NAIC Market Regulation Handbook Standards in Chapters 16 & 17.

The following exceptions were noted.

**5 Exceptions: 18 Del. Admin. Code § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices**

The Company failed to provide a coverage decision within 30 days or provide a reason why such a decision could not be made in five Denied claims.

*Recommendation:* It is recommended that the Company provide additional training to ensure compliance with 18 Del. Admin. C. § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices.

**CONCLUSION**

The recommendations made below identify corrective measures the Department finds necessary as a result of the Exceptions noted in the Report. Location in the Report is referenced in parenthesis.

1. It is recommended that the Company provide additional training to ensure compliance with 18 *Del. Admin. C.* § 902-1.2.1.5 Prohibited Unfair Claim Settlement Practices. (Claims)

The examination conducted by Joe Krug and Mark Plesha is respectfully submitted.



Mark Plesha, CPCU, AIE, MCM,  
CWCP, AIS, IR  
Examiner-in-Charge  
Market Conduct  
Delaware Department of Insurance

I, Mark Plesha, hereby verify and attest, under oath, that the above is a true and correct copy of the examination report and findings of the market conduct examination submitted to the Delaware Department of Insurance pursuant to examination authority 26166-20-713.



Mark Plesha, CPCU, AIE, MCM,  
CWCP, AIS, IR