

**MARKET CONDUCT EXAMINATION**

**OF**

**MIDWEST EMPLOYERS CASUALTY COMPANY**

**AS OF**

**SEPTEMBER 13, 2006**

I, Matthew Denn, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON MARKET CONDUCT EXAMINATION, made as of SEPTEMBER 13, 2006 of the

**MIDWEST EMPLOYERS CASUALTY COMPANY**

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

ATTEST BY: *Antoinette Handy*

DATE: 20 February 2007

*In Witness Whereof*, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THIS DEPARTMENT AT THE CITY OF DOVER, THIS 20TH DAY OF FEBRUARY 2007.



*Matthew Denn*  
Insurance Commissioner

**REPORT ON MARKET CONDUCT EXAMINATION**  
OF THE  
**MIDWEST EMPLOYERS CASUALTY COMPANY**  
AS OF  
**SEPTEMBER 13, 2006**

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

Consideration has duly been 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.

A handwritten signature in black ink, appearing to read "Matt Denn", written over a horizontal line.

MATTHEW DENN  
INSURANCE COMMISSIONER

DATED this 20TH day of FEBRUARY, 2007.

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## **SALUTATION**

December 4, 2006

Honorable Matthew Denn  
Insurance Commissioner  
State of Delaware  
841 Silver Lake Boulevard  
Dover, Delaware 19904

Dear Commissioner Denn:

In compliance with the instructions contained in Certificate of Examination Authority Number 06.709, and pursuant to statutory provisions including 18 Del. C. §318-322, a market conduct examination has been conducted of the affairs and practices of:

### **Midwest Employers Casualty Company**

hereinafter referred to as the "Company" or as "Midwest." Midwest Employers Casualty Company is incorporated under the laws of the State of Delaware. This examination reviewed the operations of Midwest. The on-site phase of the examination was conducted at the following locations:

- 14755 North Outer Forty Drive, Suite 300; Chesterfield, MO 63017

The examination is as of September 13, 2006.

Examination work was also conducted off-site and at the offices of the Delaware Department of Insurance, hereinafter referred to as the "Department" or as "DDOI."

The report of examination thereon is respectfully submitted.

## **SCOPE OF EXAMINATION**

The basic business areas that are subject to a Delaware Market Conduct Examination vary depending on the type of insurer. For all insurers these areas include:

Company Operations/Management  
Complaint Handling  
Marketing and Sales  
Producer Licensing  
Policyholder Service  
Underwriting and Rating  
Claims

Additional areas may be included for an insurer writing property and casualty coverage. Each business area has standards that can be examined and measured, typically utilizing sampling methodologies.

This examination is a Delaware Baseline Market Conduct Examination. It is comprised of two components. The first is a review of the Company's countrywide complaint patterns. This is not a pass/fail test but rather is aimed at determining if there is a detectable pattern to the complaints the Company receives from all sources.

The second component is an analysis of the management of the various business areas subject to a market conduct examination through a review of the written procedures of the Company. This includes an analysis of how the Company communicates its instructions and intentions to its lower echelons, how it measures and monitors the results of those communications, and how it reacts to and modifies its communications based on the resulting findings of its measurement and monitoring activities. The examiners also determine whether this process is dynamic and results in enhanced compliance activities. Because of the predictive value of this form of analysis, focus is then made on those areas where review indicators suggest that the process used by management does not appear to be achieving appropriate levels of statutory and regulatory compliance.

All business areas noted above are addressed to some extent by one or more of the procedures reviewed thus providing a comprehensive view of the Company and its component operations.

This examination report is a report by test rather than a report by exception. This means that all areas tested are described and results indicated. Substantial departure from the norm may result in supplemental review focused on the area so noted.

## **HISTORY**

Midwest Employers Casualty specializes in writing excess worker's compensation and employers' liability coverages on a specific and aggregate basis to qualified self-insured employers. The company also offers excess reinsurance to qualified insurance companies and captives with similar qualities as the targeted individual and group self-insured accounts. On a limited basis, the company offers surety coverage in the form of a self-insurer bond to the governing workers' compensation authority in the insured's domiciliary state. Business is marketed to individual self-insureds and self-insured groups, principally targeting school districts, municipal governments, health care providers, retailers and light manufacturing.

The Company was incorporated on March 21, 1986, under the laws of the State of Ohio. On November 8, 1995, W.R. Berkley Corporation of Greenwich, Connecticut acquired MECC, Inc., the former holding company, as a significant component of its Alternative Markets Division. Ownership was transferred to Berkley Insurance Company, formerly known as Signet Star Reinsurance Company, on March 30, 2000. On July 31, 2001, the

Delaware Department of Insurance approved the re-domestication of Midwest Employers Casualty Company into the State of Delaware.

## **METHODOLOGY**

This examination is based on the Standards and Tests for a Market Conduct Examination of a Property and Casualty Insurer found in Chapter VIII of the Delaware Market Conduct Examiners' Handbook. This chapter is derived from applicable Delaware statutes, rules, and regulations as referenced herein and in the *NAIC's Market Conduct Examiners' Handbook*.

The types of review used in this examination fall into three general categories: generic, sample, and electronic.

A "Generic" review is conducted through an analysis of general data gathered by the examiner, or provided by the examinee in response to queries by the examiner.

A "Sample" review is conducted through the direct review of a random sample of files using the sampling methodology described in the Delaware Market Conduct Examiners' Handbook and the *NAIC's Market Conduct Examiners' Handbook*. The sampling techniques used are based on a ninety-five percent (95%) confidence level. This means that there is a ninety-five percent (95%) confidence level that the error percentages shown in the various standards tested are representative of the entire set of records from which it was drawn.

An "Electronic" review is conducted through the use of a computer program or computer routine applied to a download of computer records of the examinee. This type of review typically reviews 100% of the records of a particular type.

The complaints pattern review is conducted using all three methodologies. The various procedures are reviewed using a "Generic" review methodology.

The Introduction to the Review of Procedures section describes the basis for the analysis methodology. Each procedure review is described and the result of the review is provided under the appropriate procedure. Each procedure is supported by 18 Del. C. §318(a) and 18 Del. C. §508(b). In some cases there is additional specific statutory support, however, these references have not been listed. The reference source for each procedure found in the *NAIC's Market Conduct Examiners' Handbook* (NAIC MCEH Reference) is noted.

Each procedure is accompanied by examiner "Observations." In some cases a "Recommendation" is made. Reference, Observations and Recommendations are reported with the appropriate Standard.

## A. COMPANY OPERATIONS/MANAGEMENT

This examination report is not designed to be a pass/fail report with two exceptions. Those exceptions are the standards that state:

- “The Company is licensed for the lines of business that are being written” and
- “The Company cooperates on a timely basis with examiners performing the examinations.”

### Standard A 07

*NAIC Market Conduct Examiners Handbook - Chapter XV, §A, Standard 7 & Chapter XVII, §A, Standard 7.*

**The Company is licensed for the lines of business that are being written.**

18 Del. C. §318(a), §505(b), §508(b).

*Comments:* Review methodology for this standard is generic. This standard has a direct insurance statutory requirement. This standard is intended to assure that the Company operations are in conformance with the Company’s certificate of authority.

*Results:* **Pass**

*Observations:* The Company is licensed for the lines of business being written.

*Recommendations:* None

### Standard A 09

*NAIC Market Conduct Examiners Handbook - Chapter VIII, §A, Standard 9.*

**The Company cooperates on a timely basis with examiners performing the examinations.**

18 Del. C. §318(a), §320(c), §508(b), §520(b)3.

*Comment:* Review for this standard is by “generic” methodology. This standard has a direct insurance statutory requirement. This standard is aimed at assuring that the company is cooperating with the state in the completion of an open and cogent review of the company’s operations. Cooperation with examiners in the conduct of an examination is not only required by statute, it is conducive to completing the examination in a timely fashion and minimizing cost.

*Results:* **Pass**

*Observations:* During the course of the examination Midwest was provided with forty-one (41) Information Requests (IR’s), thirty-four (34) memos and criticisms. Of the thirty-four (34) memos issued, twelve (12) were second and/or third requests for additional information. The Company’s responses were timely and the Company cooperated fully with the examination.

*Recommendations:* None

## **B. COMPLAINTS/GRIEVANCES**

*Comments:* Evaluation of the Standards in this business area is based on Company response to various information requests (IR items) and complaint files at the Company. 18 Del. C. §2304(17) requires the Company to "...maintain a complete record of all complaints received." The statute also requires that "this record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of these complaints and the time it took to process each complaint." Delaware definition of a complaint is: "...any written communication primarily expressing a grievance."

*Observations:* The Company provided one logged complaint for the period of examination. The complaint was reviewed and was resolved in a timely manner with an appropriate action. The review of the complaint process is noted in Procedure 11.

## **REVIEW OF PROCEDURES**

The management of well-run companies generally has some processes that are similar in structure. These processes generally take the form of written procedures. While these procedures vary in effectiveness from company to company, the absence of them or the ineffective application of them is often reflected in the failure of the various Standards that follow this section. The processes usually include:

- a planning function where direction, policy, objectives and goals are formulated;
- an execution or implementation of the planning function elements;
- a measurement function that considers the results of the planning and execution; and a reaction function that utilizes the results of measurement to take corrective action or to modify the process to develop more efficient and effective management of its operations.

The absence of written procedures that provide direction for company staff in its various operational areas tends to produce inconsistent application of the intended process. The same is generally true of the absence of a means to measure the results of the application of procedures and a means to determine that the process is performing as intended.

The reviews in this section are not pass/fail measurements. Rather, they are intended to reflect those management strengths and weaknesses that have a bearing on regulatory compliance issues.

### **Procedure 01 - Audit (Internal and External)**

*Observations:* The Company does not have a formal written Audit (Internal and External) Procedure. Midwest Employers Casualty's (MECC) parent company, W.R. Berkley Corporation, handles internal controls, which comply with the Sarbanes-Oxley Act of 2002 (SOX). The Manager of Finance and Operational Analysis is the "point" person at the administrative offices of MECC, which began a comprehensive review and testing of Claims, Underwriting, Information Technology, and Finance in 2004.

*Recommendations:* The Company does not have a formal written Audit (Internal and External) Procedure. It is recommended that the Company formulate, adopt and implement a written Audit Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 02 – Assertion of Privilege**

*Observations:* The Company does not have a formal written Assertion of Privilege Procedure. The Company maintains that the Claims and Underwriting Vice-Presidents consult regarding the need to assert privilege.

*Recommendations:* None

### **Procedure 05 – Anti-Fraud**

*Observations:* The Company does not have a written Anti-fraud Procedure. The majority of the Company's losses are excess worker compensation claims which are being handled on the primary level by either a third party claim administrator hired by the insured or a licensed primary insurance carrier. These organizations have their own anti-fraud processes in place. New loss notices are reviewed by the Claims Department. If there is reason to believe or indicators of fraud are identified, then it is immediately brought to the attention of the Vice President of Claims who will determine an appropriate course of action for MECC. If during the handling of a loss the claim analyst has reason to believe the claim is fraudulent or sees indicators of fraud, this loss is brought immediately to the attention of the Vice President of Claims who will determine an appropriate course of action.

The claim analyst handling cases on behalf of MECC is familiar with the claim atmosphere of their assigned region and the capabilities of the local claim handlers and addresses fraud issues with claim cost control partners including third party claim administrators retained by the Company's insurers and assumed reinsurance customers. The Vice President of Claims gives guidance and help with training in the detection and

reporting of possible fraud matters. Cases that are deemed appropriate are immediately reported to law enforcement agencies. The Vice President of Claims will monitor any suspected fraudulent claims reported.

*Recommendations:* The Company should develop a formal written Anti-fraud Procedure and include measurement structures the Company uses to monitor this procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 07 – MGA Oversight and Control**

*Observations:* The Company does not use Managing General Agents or General Agents.

*Recommendations:* None

### **Procedure 08 – Vendor Oversight and Control**

*Observations:* The Company has a written Vendor Oversight and Control Procedure. The procedure is clear and was adopted January 1, 2004. No conflict with Delaware statutes and regulations was noted.

The Company's Claims, Large Deductible Underwriting and Client Information Unit Department approve Third Party Administrators (TPA) to service large deductible clients on a regional basis. These TPAs enter into contractual relationships with the Company's Program Managers. In order to measure the operational effectiveness of the procedure, audits are conducted of each TPA by the claim staff.

*Recommendations:* None

### **Procedure 09 – Privacy Protection**

*Observations:* The Company has a written Privacy Protection Procedure. The procedure is clear and is dated January 1, 2001.

The Company collects and uses information for business purposes with respect to the insurance products and services and other business relations involving customers. They gather this information to evaluate requests for insurance, to evaluate insurance claims, to administer, maintain or review insurance policies, and to process insurance transactions. The information the Company collects generally comes from the following sources: submitted applications, quotes, transactions, claims, and credit and financial reports. The Company retains personal information only as long as required by their business practices

and applicable law. If they become aware that an item of personal information may be materially inaccurate, they will make a reasonable effort to re-verify its accuracy and correct any error(s). Any Company employee violating the Privacy Protection Procedure will be subject to discipline, up to and including termination.

It is required for employees to protect the confidentiality of information as required by applicable law. Access to information by the employees is limited to administering, offering, servicing, processing or maintaining of the products and services. The Company maintains physical, electronic and procedural safeguards designed to protect information. When employees share or provide information to other persons or organizations, they are contractually obligated to them to treat information as confidential and conform to the privacy policy and applicable laws and regulations. All employees are required to sign the Statement of Business Ethics upon their hire, access to MECC requires a key, and all systems are protected and secure through the use of passwords.

No information regarding measurement structures was provided to the Examiners. No information was provided to determine if management exercises oversight and control of the process.

*Recommendations:* It is recommended that the Company formulate measurement structures and establish a periodic review of the current Privacy Protection Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 10 – Production of Business**

*Observations:* The Company does not have a written Production of Business Procedure, however, the Company utilizes independent producers that are either functioning as a wholesaler or retailer. The Company's business is not direct with the insured and there are agency agreements that are sent to the producers.

The policy management system has an indicator that is required to be satisfied to ensure that the producers or agencies are properly licensed. If a producer is participating on a policy, and the system does not find proper licensing, the system will flag the user to attach licensing to the policy. If the search results in an expired license, the user will consult the compliance department log to see if updated licensing has been received. If so, it will be updated in the policy maintenance system. If not, the user will contact the producer and ask them to forward updated licensing to the attention of the compliance department. The policy is not issued unless proper licensing has been received.

The policy services manager and operations manager review the information on at least 6 policies per region monthly. Quality audits are conducted on a sampling of policies. Licensing issues are addressed during these audits.

*Recommendations:* None

### **Procedure 11 – Complaint Handling**

*Observations:* The Company does not have a written Complaint Handling Procedure, but they do have a process which has been in place since 1998.

Any complaint received by the Company, whether directly from any policyholder, claimant or from any state insurance department, is handled in the following manner: Recipient immediately forwards notification to their Vice President. The Vice President forwards a copy of the notification of the grievance to the Compliance Manager within 24 hours. The Compliance Manager logs the complaint on a “complaint action sheet”, and within 24 hours of receipt, notifies the Vice President of the particular state requirements regarding the timing and manner of response to the complainant and / or the state insurance department. The Vice President is responsible for ensuring that any and all subsequent communications regarding the complaint are in keeping with state requirements as provided by the Compliance Manager. The Vice President directs their staff to maintain a copy of the complaint and subsequent correspondence in the appropriate policy and / or claim file. The Vice President ensures that a copy of all subsequent correspondence is forwarded to the Compliance Manager for filing in the Complaint Log.

*Recommendations:* The Company should develop a formal written Complaint Handling Procedure with measurement structures to test the effectiveness of the procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 13 – Advertising, Sales and Marketing**

*Observations:* The Company does not have a written Advertising, Sales and Marketing Procedure.

The Company’s mission is to effectively communicate pertinent information directly related to products, services, and industry data, as needed, to Clients, Producers, Prospects of Berkley member companies. The Company’s Internet marketing efforts are handled via website, e-mail campaigns and webinars.

*Recommendations:* The Company does not have a formal written Advertising, Sales and Marketing Procedure. It is recommended that the Company formulate, adopt and implement a written Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

#### **Procedure 14 – Agent Produced Advertising**

*Observations:* The Company does not have any agent produced advertisements.

*Recommendations:* Since the Company does not have a formal written agent produced advertising procedure it is recommended that the Company formulate, adopt and implement a written procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

#### **Procedure 15 – Producer Training**

*Observations:* MECC does not have any captive producers. In the "Agency Agreement No. 1 Legal Relationship", it is stated, "the agency is an independent contractor and not an employee of the Company". In the "Agency Agreement No. 2 Ownership of Business", it is further clarified that; "The Company recognizes the independent ownership by the agency of the insurance business subject to this agreement."

The producers who submit business to MECC are Independent Contractors. MECC sales staff are not Producers, however, they are responsible for contacting producers with self-insured clients. This is done primarily through the long time affiliation in associations that have the self-insured in mind, such as, but not limited to; the Public Risk Insurance Management Association (PRIMA), Risk Insurance Management Services (RIMS), and the Self-Insurance Institute of America (SIIA). MECC actively promotes and exhibits the products to the self-insured community. This sort of involvement puts MECC in contact with Producers who have self-insured clients.

*Recommendations:* None

## **Procedure 20 – Producer Selection, Appointment and Termination**

*Observations:* The Company provided a summary of activities referred to as “Producer, Selection, Appointment and Termination Procedure.” The documents that were presented were not conducive to what the examiners inquired about. Additionally, the procedures lacked any creation or revision dates.

*Recommendations:* It is recommended that the Company formulate, adopt and implement a written Producer Selection, Appointment and Termination Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

## **Procedure 21 – Producer Defalcation**

*Observations:* The Company does not have a written producer defalcation procedure.

*Recommendations:* Since the Company does not have a formal written producer defalcation procedure it is recommended that the Company formulate, adopt and implement a written procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

## **Procedure 22 – Prevention of Use of Persons with Felony Conviction**

*Observations:* The Company does not have a written Prevention of Use of Persons with Felony Conviction Procedure, but does have a process. The process is clear and was implemented July 2004 and has been revised July 2005. No conflict with Delaware statutes and regulations was noted.

The Company’s Human Resource (HR) Coordinator has a background check form completed within three business days on a new employee accepting a job offer. AAIM Association Management conducts a criminal background search based on the information provided. Within a week to two weeks, AAIM submits an email with results of the check to the HR Coordinator that in turn, prints off the results and files it in a new employee’s personnel file.

To prevent negligent hiring or hiring anyone who has convicted a felony, the Company uses a series of background checks: Missouri Criminal History, Social Security Trace, Employer Verifications, and Education Verifications. In the event that the new employee is not from Missouri, or has lived in several states, the Company requests Criminal History reports from those states.

The controls that have been put in place by the Company's management are through monthly audits of new employee files and a monthly discussion with the HR Coordinator about results.

The Company requires that each producer be licensed in the proper jurisdiction. This ensures that all state licensing appointment requirements are followed.

*Recommendations:* The Company has a process, but does not have a formal written Prevention of Use of Persons with Felony Conviction Procedure. It is recommended that the Company formulate, adopt and implement a written Procedure. This procedure should address compliance for employees and producers. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

#### **Procedure 24 – Premium Billing**

*Observations:* The Company has a written Premium Billing Procedure. The procedure is clear and is dated August 2003. No conflict with Delaware statutes and regulations was noted. The manager of policy services and underwriting department is responsible for all premium billing. Invoices are generated in an overnight batch process and are distributed by policy service representatives. Each policy service representative is responsible for reviewing the accuracy and mailing each invoice. The premium is collected net of commissions, which, is calculated by the policy administration, PowerComp.

*Recommendations:* None

#### **Procedure 25 – Correspondence Routing**

*Observations:* The Company does not have a written Correspondence Routing Procedure. Due to the small amount of employees working at the Company, the Human Resource Department distributes mail to the appropriate people.

*Recommendations:* The Company does not have a written Correspondence Routing Procedure. It is recommended that the Company formulate, adopt and implement a

written Correspondence Routing Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 26 – Policy Issuance**

*Observations:* The Company has a written Policy Issuance Procedure. The procedure is clear and was adopted August 2003. No conflict with Delaware statutes and regulations was noted.

The Policy Services Representative (PSR) verifies the policy limits and premium amounts by comparing the binder to the system. They also confirm that all required documents have been received from the producer and/or insured. Required documents include an application signed by the insured, an officer of the company, or the retail producer. The application must also include a Fraud Warning for the applicable state(s). If the application does not have fraud verbiage, a Fraud Warning supplement is requested. If the insured has 20 locations or less, the PSR enters the cost of risk data. For policies with more than 20 locations, the information is forwarded to the client information unit department after policy issuance for data entry.

To ensure accuracy, once policy issuance is completed, the PSR sends the policy to the Underwriting Assistant (UA) for review and if corrections are needed, the UA returns the file to the PSR. Once the UA completes a successful review, the file is given to the Regional Underwriting Manager to sign the transmittal letter(s). Endorsement Tracking Logs, Underwriting Manuals, and PowerComp (policy issuance system) are resources used to help ensure that the Company is utilizing the appropriate forms.

The Policy Services and Underwriting Assistant managers conduct formal file reviews on a monthly basis on at least three files per PSR and underwriting assistant. For all audits in both individual self insured and group self insured an internal audit review form is used to audit each file. After the review forms are completed for each file, the results are put together in a report that is distributed to Underwriting Operations Management and ultimately, the Executive Vice President. Underwriting operations management will seek to correct deficiencies and monitoring of improvements is achieved via future audits and the monthly standard of performance process.

*Recommendations:* None

### **Procedure 27 – Reinstatement**

*Observations:* The Company does not have a formal written reinstatement procedure. The Company's Director of Underwriting and/or the Finance Controller is responsible for making a decision on whether or not to reinstate an account based upon the particular facts surrounding an account. Decisions are made on a case-by-case basis.

*Recommendations:* The Company should develop a formal written Reinstatement procedure. The formal written Reinstatement procedure should address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 28 – Requesting Claim History**

*Observations:* The Company does not have a formal written Claim History procedure. The Company developed a process in March 2006. Prior to this the Company completed claim history inquiries on an ad-hoc basis.

The Company refers all claim inquiries to the claim administrator responsible for the account. The administrator collects the policies number, account holder name, claim number, accident date, date reported and any reimbursement amount. The Company handles all claim history inquiries within two business days. The queries are spot checked against the Company's computer processing system PowerComp and WINS.

*Recommendations:* It is recommended that the Company develop a formal Claim History procedure. The formal written Claim History procedure should address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Procedure 30 – Premium Determination and Quotation**

*Observations:* The Company has a written Premium Determination and Quotation procedure. The procedure is clear and readable. The current version date is August 2003. No conflict with Delaware's statutes and regulations is noted.

The Company has four steps in the risk evaluation process that the Regional Underwriting Manager (RUM) follows to determine a proper premium and quotation.

The four steps are; the initial review, actuarial review, referral, and quote. In the initial review stage the RUM reviews the application and determines whether a quote can be made due to submissions made in the narrative and what type of quote would be appropriate depending on the situation. In the actuarial review the RUM sends the file to the Company's Actuarial Department for further review. The Actuarial Department calculates the expected loss ratios. The file is then returned to the RUM for a referral. The RUM compares the recommended set of terms, pricing and Book of Management received from the Actuarial Department. If the recommended set of terms or pricing fall outside of the RUM's authority the file is given to the Director of Underwriting or Vice President of Underwriting for approval. The RUM then issues the quote to the appropriate producer.

The RUM's performance is monitored weekly by the use of Exception reports. Exception reports identify policies that fall outside of the normal underwriting criteria. The Director of Underwriting looks at the Exception reports weekly to determine whether the RUM made the appropriate rationale for the exception. If the rationale was not acceptable the issue will be addressed to the RUM in the bi-weekly meetings with the underwriters. A monthly Company policies audit is performed that includes pulling two random files that each RUM has worked to determine if Company policies were followed and appropriate quotes were issued. The Company conducts monthly (Standard of Performance) SOP tests for each employee to discuss individual problems/weaknesses and outlines strategies for each employee to improve their work performance. To monitor the underwriters' performance and the Company's procedures the Company conducts bi-annual internal underwriting audits.

The Company's Director of Underwriting conducts a formal, semi-annual underwriting audit for both the (Individual Self Insured) ISI and (Group Self Insured) GSI Divisions. The GSI audit is conducted in the months of March and September of each year while the ISI audit is conducted in the months of April and October.

*Recommendations:* None

### **Procedure 31 – Policyholder Disclosures**

*Observations:* The Company has a written Policyholder Disclosures Procedure. The procedure is dated June 1, 2005. The Company conducts bi-annual meetings by region with their Policy Service Representatives (PSR), Underwriting Assistants (UA), and their Regional Underwriting Manager (RUM) to discuss all Companies that are coming up for renewals in the next six months.

The Company sends a renewal solicitation letter to each insured within ninety (90) to one hundred and twenty days (120) prior to their renewal. This allows the producer to obtain and submit information to the Company for review. Included in the renewal solicitation letter is a letter indicating whether a rate increase will occur.

The Policy Services Manager conducts a back-end review of files to ensure that the procedures have been completed in the submission review and policy issuance process. The Policy Services Manager looks at the system as well as the policy file including policies, letters, invoices, etc., to ensure that the policy was issued properly, the policy file is put together correctly, and the system is documented properly. The Company's Management reviews the reports and results of the quality review and decides the specific training that will be conducted based upon the quality review. The managers will address the performance and development needs in the monthly Standards of Performance review.

*Recommendations:* None

### **Procedure 32 – Underwriting and Selection**

*Observations:* The Company has a written Underwriting Selection Procedure dated September 2003 that is updated on a regular basis. No conflict with Delaware statutes and regulations is noted.

The Company's Policy Service Representative (PSR) receives a new submission or renewal via email, fax or by mail. The PSR fills out a checklist for the Underwriting Assistant (UA) in order for them to understand the submission better. The PSR uses PowerComp, (a computer system to process submissions) to fill in all of the important information from the application. The PSR verifies risk locations and the Concentration of Risks (COR), governing state, and financials if needed. The Regional Underwriting Manager (RUM) receives the submission for their initial review. The Actuarial Department, upon receiving the submission from the RUM, calculates the loss ratios for the submission. The policy is then returned to the UA for finalization. The Company completes new submissions within three to five business days or within twenty-four (24) hours, depending on the priority of the request.

If the Company has to decline a policy because the exposure is too great, it is done within two (2) working days. Decisions are also made later in the process if the actuarial department identifies the account as suspect due to data or an extremely bad performance. When MECC identifies a policy that needs to be cancelled, the RUM forwards the file to the UA with processing instructions. The UA completes the needed paper work. The policy is given to the PSR for processing and to cancel the policy in PowerComp. A letter and Cancellation endorsement is created given to the RUM for review and sign-off. After the RUM signs off, the PSR mails the original letter and endorsement to the insured. Copies are sent to the state's Department of Labor and the producer. All letters are sent via certified mail and a copy is placed in the policy file. The file is labeled and Payroll Audit department is notified.

Retailers usually receive 15% commission and wholesalers receive 20% commission. This is subject to review and negotiation with the producer prior to the issuance of any quote. High premium accounts will receive less commission because of the size of the account. The producer can give a variance to an individual producer basis because a

producer may be working on a fee for some accounts and taking commission on others. As indicated above, there could be high premium accounts in which less commission % is paid. The payroll and losses are added to an exposure and loss file that tracks the changes in losses and payroll by workers compensation class annually. The underwriter to the producer then addresses any unusual changes. The qualitative information is also reviewed and any notable discrepancies are discussed. The Company requires that the insured either sign the application with the appropriate fraud verbiage or a fraud-warning supplement. The Company reviews this process in the Internal Underwriting Audit process.

The Company conducts bi-annual meetings for each region to discuss all upcoming policies that will be up for renewal. The underwriters meet bi-weekly to discuss any concerns and problems that they are experiencing. Monthly Standard of Performance (SOP) meetings are conducted to discuss Personal Development Performance (PDP) and significant events. Training is conducted upon hiring a new underwriter. Each underwriter is evaluated on experience and their amount of authority is given depending on their experience.

*Recommendations:* None

### **Procedure 33 – Rate and Form Filing**

*Observations:* The Company has a written Rate and Form Filing Procedure and it is dated May 2005. The Company uses the State Electronic Rate and Form Filing (SERFF) system for submitting their rates and form filings. The submission requirements for each state are filed within the Company. The Company tracks the endorsement files on the Endtrack excel worksheet maintained in the compliance area. The Actuary maintains a RATESTAT worksheet to track all rate filings. The Company measures their performance through their monthly Standard of Performance (SOP) tests.

*Recommendations:* None

### **Procedure 34 – Termination**

*Observations:* The Company has a written Termination Procedure dated August 2003. No conflict with Delaware statutes or regulations was noted.

The Company has two types of cancellation/termination processes. One is insured initiated and the second is Company initiated. The Company terminates a policy after the Regional Underwriting Manager (RUM) consults with the producer to determine the basis of cancellation. The RUM gives the request to the Underwriting Assistant (UA) for processing. The UA fills out the Cancellation Endorsement Request Information that includes the date and type of cancellation and whether the aggregate retention or short rate would apply. The UA also determines if the premium is subject to an audit. The UA gives the request information to the Policy Services Representative (PSR) for further processing. The PSR terminates the policy in PowerComp (the Company's computer

processing system) and give the RUM the cancellation letter for sign off. The letter is mailed to the producer and copies are kept on file in the Company.

The Company initiated termination follows the same process as the insured initiated termination, but after the RUM receives the termination for sign off, copies are sent to that insured's resident state Department of Labor and to the producer. All three letters are sent via certified mail. Copies of the letter, endorsement, and certified receipts are placed in the policy file.

After either cancellation type, a black sticker is placed on the paper file to designate that it is cancelled. The file is then forwarded to the Payroll Audit department to request the final, actual payroll data for the policy. Once a policy is cancelled, its status in PowerComp changes to cancelled also. Policies cancelled flat cannot be changed in PowerComp, but changes can be made to policies that cancel mid-term.

The Company measures the procedure and employee productivity through their Quality Review Process and Exception Reports.

*Recommendations:* None

### **Procedure 35 – Underwriting File Documentation**

*Observations:* The Company has a written Underwriting File Documentation Procedure. The procedure is dated August 2003. No conflict with Delaware statutes and regulations are noted.

The Company, upon receiving a new submission via fax, mail or email, separates them by region and assigns them to the appropriate Policy Services Representative (PSR). The PSR first conducts a duplicate submission check. If the submission is a duplicate, an abbreviated file is created in the Company's PowerComp system and the duplicate file is placed with the original and the producer is notified. All new submissions are entered into the PowerComp system once all the Company requirements are verified including Applicant's Name and Address, FEIN#, Concentration of Risk (COR) data – (Risk Locations and Employee Counts), Submitting Agency, Agency Contact, Claims Servicing Company, SIC Code, Best Hazard Code, Class of Business, and Payroll by Classification Code.

When the Company does not receive payment for a policy, the Company contacts the producer and will initiate a cancellation as needed. If the Company cannot locate the self-insured for any unclaimed benefits, the money owed them is sent to the jurisdiction of the self-insured employer as part of the unclaimed property process.

The Underwriting Management conducts a quarterly file review that is provided to the leadership team for review. Adjustments are made based upon the findings in the audit. The Company also conducts annual SOX testing.

*Recommendations:* None

### **Procedure 36 – Underwriter Training**

*Observations:* The Company has an Underwriter Training Procedure and it is dated fall 2004.

The Company's underwriter training includes two weeks of formal training and a minimum of two additional weeks of supervised account level training. The training includes, but is not limited to, Company policies, marketing, financial reviews, claims, audits, and client services.

The Company's Director of Underwriting receives feedback from each of the people that train and work with the trainee. The trainee continues to seek counsel of peers on an as needed basis regarding specific underwriting issues on new business and renewal files. All accounts are referred to the Director of Underwriting prior to releasing a quote until letter of authority is granted, which will occur when new underwriter has proven their ability to fully comprehend and meet the Company's underwriting guidelines and standards.

*Recommendations:* None

### **Procedure 40 – Staff Training**

*Observations:* The Company has a written Staff Training procedure. The procedure is dated April 2005 with a revision to the Company's Performance Management occurring in March 2006.

Each Company employee has customized training and development based upon their needs according to their supervisor. All new employees complete a three-part orientation that is facilitated by the President and Chief Operating Officer during the first ninety (90) days of employment. This orientation includes the Company's history, service strategy, business plan, products and services and current results. The orientation is conducted once per month on a rotating schedule.

The Company does not require, but encourages continuing education classes or seminars for staff. The Company does not conduct periodic training for their staff. The Company pays for an employee's enrollment and completion of approved professional training that includes industry-sponsored courses and training programs. Prior to enrolling in professional training courses, the employee must complete a Professional Training Request sheet and submit it to their supervisor for approval. An employee must also complete a Tuition Reimbursement Request sheet and have their supervisor's approval prior to receiving any tuition reimbursements.

The Company measures their employee's performance in the Standard of Performance (SOP) tests, Personal Development Plan (PDP) and the Significant Event Log (SEL).

The SOP's include an evaluation of the employee's actual performance compared to their expected performance. The PDP's detail the employee's plan of action in response to their review in the SOP tests and evaluate the knowledge and skills the employee has to complete their job successfully. The SEL is an ongoing log that details an employee's performance and includes any disciplinary actions/issues. The Standard of Performance tests are reviewed monthly. The Director of Human Resources uses the findings of The SOP tests to compile a monthly report that summarizes all department employees' quantitative performance results. All managers are required to review their respective job descriptions twice per year to ensure that the employees are following the Company's objectives. Necessary changes are made and discussed with employees at their next scheduled monthly performance discussion.

*Recommendations:* None

#### **Procedure 42 – Adjuster and Claim Processor Training**

*Observations:* The Company has a written Adjuster and Claim Processor Training Procedure and it is dated 2002 with an update made on January 1, 2006. No conflicts with Delaware statutes and regulations are noted.

The Company's new employees are trained in their position description and Standard of Performance expectations by their direct supervisor. The Company's training includes industry best practices, catastrophic claim management and cost control and newly developing issues in serious losses such as involvement of Medicare in settlements. The new employees learn the location of the electronic claim manual, and spend several days "shadowing" an experienced employee. The claims manager or employee's supervisor oversees the claim analysts on the first claim audits they conduct. "The Company gives all new hires minimal reserving or settlement authority, thus creating a system where the supervisor reviews most of their work to assure mastery of tasks."

The Company conducts the Standard of Performance tests (SOP) monthly to identify areas that need improvement. In the employee's Personal Development Plan (PDP), areas of improvement are noted and recommendations for further improvements are made. For example, an employee made be encouraged to enroll in an educational course or shadow another employee. Any deviation in the employee's expected performance is recorded in the employee's Significant Event Log (SEL). If the problems continue, a job performance issue is performed.

According to the Company, "Four to five department meetings are held annually to share ideas, listen to guest speakers and attendance at local seminars and training sessions is encouraged but not mandatory. The Company's internal procedures are also reviewed. Claims support staff attends a portion of these meetings."

*Recommendations:* None

### **Procedure 43 – Claim Handling**

*Observations:* The Company has a Claim Handling Procedure. The procedure is dated January 1, 2006. No conflict with Delaware statutes and regulations is noted.

The Company receives new losses by mail, email, and fax or through field visits to customers and service claims by the Company's claims staff. All new claims are routed through the Company's triage process to determine: a) whether the claim is new and a file needs to be established, or; b) the claim needs to be evaluated but no new file established. Analysts create new files and input the information into the Company's computer system. Claims classified as catastrophic losses are referred to the claims manager for review and assignment to an analyst. The analyst enters policy number and date of loss information into the claims system PowerComp. All files are reviewed within 30 days with the exception of catastrophic losses that are reviewed upon receipt. The Company's Assumed Reinsurance losses are reviewed in the WINS computer system. The Company is in the process of transferring the Assumed Reinsurance into their POWERCOMP system. Policies that have no coverage are sent a No Coverage letter by the Claims Manager.

The Managers and Vice President of the Claims Department perform daily reviews of files. Semi-annual audits are conducted at each remote employee location to ensure the records and files reconcile to headquarters. On a monthly basis, the Company conducts reviews of files to evaluate employee performance and compliance with department and Company procedures. These files are randomly selected for each employee. A minimum of 100 files is reviewed per employee each year.

*Recommendations:* None

### **Procedure 44 – Internal Claim Audit**

*Observations:* The Company has a written Internal Audit procedure. The procedure is dated December 2004. No conflict with Delaware statutes and regulations is noted.

The Company conducts a monthly review of files to evaluate employee performance and compliance with department procedures called Standard of Performance (SOP) tests. These reviews are performed by randomly pulling files for each employee and they focus on file handling and financial handling. The Company's Claim Support Supervisor and a Unit Manager perform a monthly performance evaluation on each support employee focusing on their review of transactions and compliance with the Company's policies and procedures. The Company's Vice-President and Managers monitor these monthly reports to ensure compliance.

As of December 2004, audit teams created to comply with Sarbanes-Oxley review approximately twenty (20) random files per month and all open claims are manually and

electronically audited annually. These monthly audits are documented in the electronic notepad of the claim file and a hard copy is filed with the claim.

*Recommendations:* None

#### **Procedure 45 – Claim File Documentation**

*Observations:* The Company has a written Claim File Documentation procedure. The procedure is dated February 2005.

The Company's TRIAGE leader created an initial notepad to document special coverage issues on each claim. Included in each claim file are the initial coverage information, claim activity, claim reimbursements, subrogation, reserves, settlement evaluation, second injury fund and investigations. The claims analyst also documents their thought process in handling the claim. The Company uses notepad entries to document claim files in their system.

The claims analyst Standards of Performance (SOP) tests for file handling is measured monthly for claim file documentation and employee performance.

*Recommendations:* None

#### **Procedure 46 – Subrogation and Deductible Reimbursement**

*Observations:* The Company employs a Third Party Administrator (TPA) to handle the investigation of subrogation. The Company oversees the claim administrator's efforts in subrogation to ensure that optimal recoveries are obtained. When a claim file is reported to the Company, their TRIAGE leader looks for subrogation opportunities and sets out recommendations for investigation or preservation of evidence. The claim analysts ask questions and obtain information when following up with the TPA's through diary file reviews (about every 6 months). The Company monitors TPA's through their TPA claim audits.

*Recommendations:* None

### **SUMMARY**

Midwest Employers Casualty Company (Midwest) is a Property and Casualty Company domiciled in Delaware.

The examination was a limited scope market conduct examination of the following business areas: Company Operations/Management, Complaint Handling, Marketing and Sales, Producer Licensing, Policyholder Service, Underwriting and Rating, and Claims.

Significant issues arising during the course of the examination include:

- Need to strengthen the line of communication with the Exam Team (A-9)
- Need to formalize a written procedure for the Company's Audit Procedure (P-1)
- Need to formalize a written procedure for Anti-Fraud (P-5)
- Need to formalize a written procedure for Privacy Protection (P-9)
- Need to formalize a written procedure for Complaint Handling (P-11)
- Need to formalize a written procedure for Advertising, Sales and Marketing (P-13)
- Need to formalize a written procedure for Producer Produced Advertisements (P-14)
- Need to formalize a written procedure for Producer Selection, Appointment and Termination (P-20)
- Need to formalize a written procedure for Producer Defalcation (P-21)
- Need to formalize a written procedure for Prevention of Use of Persons with Felony Conviction (P-22)
- Need to formalize a written procedure for Correspondence Routing (P-25)
- Need to formalize a written procedure for Reinstatement (P-27)
- Need to formalize a written procedure for Requesting Claim History (P-28)

Recommendations have been made to address the areas of concern noted during the examination. These are summarized below.

## **RECOMMENDATIONS**

### **Recommendation P-1, Audit (Internal and External)**

The Company does not have a formal written Audit (Internal and External) Procedure. It is recommended that the Company formulate, adopt and implement a written Audit Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

### **Recommendation P-5, Anti-Fraud**

The Company should develop a formal written Anti-fraud Procedure and include measurement structures the Company uses to monitor this procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-9, Privacy Protection**

It is recommended that the Company formulate measurement structures and establish a periodic review of the current Privacy Protection Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-11, Complaint Handling**

The Company should develop a formal written Complaint Handling Procedure with measurement structures to test the effectiveness of the procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-13, Advertising, Sales and Marketing**

The Company does not have a formal written Advertising, Sales and Marketing Procedure. It is recommended that the Company formulate, adopt and implement a written Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-14, Producer Produced Advertisements**

Since the Company does not have a formal written agent produced advertising procedure it is recommended that the Company formulate, adopt and implement a written procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-20, Producer Selection, Appointment and Termination**

It is recommended that the Company formulate, adopt and implement a written Producer Selection, Appointment and Termination Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-21, Producer Defalcation**

Since the Company does not have a formal written producer defalcation procedure it is recommended that the Company formulate, adopt and implement a written procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-22, Prevention of Use of Persons with Felony Conviction**

The Company has a process, but does not have a formal written Prevention of Use of Persons with Felony Conviction Procedure. It is recommended that the Company formulate, adopt and implement a written Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.
- 

**Recommendation P-25, Correspondence Routing**

The Company does not have a written Correspondence Routing Procedure. It is recommended that the Company formulate, adopt and implement a written Correspondence Routing Procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**Recommendation P-27, Reinstatement**

The Company should develop a formal written Reinstatement procedure. It is also recommended that the procedure address:

- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

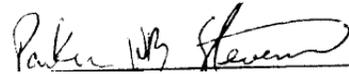
**Recommendation P-28, Requesting Claim History**

It is recommended that the Company develop a formal Claim History procedure. The formal written Claim History procedure should address:

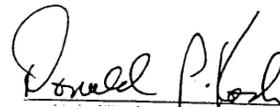
- Revision and audit history of the procedure.
- Adequate training for persons affected by the procedure.
- Management exercise of oversight and control of the procedure.
- Formulation and use of measurement structures to assure the Company that the procedure is working as intended.
- Utilization of the measurement structures to revise the procedure when indicated.

**CONCLUSION**

The examination was conducted by Donald P. Koch, Parker W. B. Stevens, Susanna Stevens, and Candace Reese and is respectfully submitted,



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