

DELAWARE DEPARTMENT OF INSURANCE

MARKET CONDUCT EXAMINATION REPORT

Vigilant Insurance Company - Authority # 20397-18-HO-721

Pacific Indemnity Company - Authority # 20346-18-HO-722

Bankers Standard Insurance Company - Authority # 18279-18-HO-723

Federal Insurance Company - Authority # 20281-18-HO-724

Great Northern Insurance Company - Authority # 20303-18-HO-725

**436 Walnut Street
Philadelphia, PA USA 19106**

As of

August 31, 2018

TRINIDAD NAVARRO
COMMISSIONER



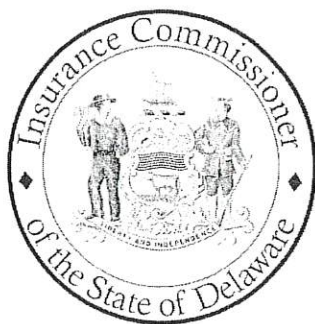
STATE OF DELAWARE
DEPARTMENT OF INSURANCE

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of August 31, 2018 on

**Vigilant Insurance Company
Pacific Indemnity Company
Bankers Standard Insurance Company
Federal Insurance Company
Great Northern 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 29 day of August, 2019.

Trinidad Navarro
Insurance Commissioner

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION

OF THE

**Vigilant Insurance Company
Pacific Indemnity Company
Bankers Standard Insurance Company
Federal Insurance Company
Great Northern Insurance Company**

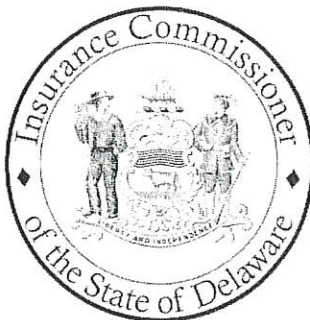
AS OF

August 31, 2018

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 29 day of August, 2019.

Trinidad Navarro
Insurance Commissioner

◆ INSURANCE.DELAWARE.GOV ◆

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Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner Navarro:

In compliance with the instructions contained in Examination Authority Numbers 20397-18-HO-721, 20346-18-HO-722, 18279-18-HO-723, 20281-18-HO-724 and 20303-18-HO-725 and pursuant to statutory provisions including 18 *Del. C.* §318, a Market Conduct Examination has been conducted of the affairs and practices of:

Vigilant Insurance Company - NAIC #20397
Pacific Indemnity Company - NAIC #20346
Bankers Standard Insurance Company - NAIC #18279
Federal Insurance Company - NAIC #20281
Great Northern Insurance Company - NAIC #20303

The examination was performed as of August 31, 2018.

The examination consisted of two phases, a brief on-site phase for training and an off-site phase. The on-site phase of the examination was conducted at the following Company location:

1 Beaver Valley Road
Wilmington, DE 19803

The off-site examination phase was performed at the offices of the Delaware Department of Insurance, hereinafter referred to as the Department, or other suitable locations. The Vigilant Insurance Company, Pacific Indemnity Company, Bankers Standard Insurance Company, Federal Insurance Company and Great Northern Insurance Company are hereinafter referred to as the "Chubb Companies" or "Company", unless otherwise noted.

The report of examination herein is respectfully submitted.

EXECUTIVE SUMMARY

This was a desk audit focusing on the Chubb Companies activities related to its Personal Lines Property line of business in the following areas of operation: Complaint Handling, Underwriting and Rating, and Claims Handling. The examination period was January 1, 2016 through August 31, 2018.

Special emphasis was placed on reviewing the steps involved in determining the Dwelling Coverage amount selected by the customer and the use of any Inflation Protection coverage provisions. This is discussed in the Underwriting and Rating section of this report.

The following exceptions were noted during the review of, Underwriting and Rating, and Claims Handling.

- 2 Exceptions
18 Del. C. §2304 (4) Unfair methods of competition and unfair or deceptive acts or practices defined.

The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(4) Boycott, coercion and intimidation. — No person shall enter into any agreement to commit, or by any concerted action commit, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of or any monopoly in any business of insurance.

and

18 Del. C. §4123 Permissible cancellations.

After coverage has been in effect for more than 60 days or after the effective date of a renewal policy a notice of cancellation shall not be issued unless it is based upon at least 1 of the following reasons:

- (1) Nonpayment of premium;*
- (2) Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy or in presenting a claim under the policy;*
- (3) Discovery of willful or reckless acts or omissions on the part of the named insured which increase any hazard insured against;*
- (4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;*
- (5) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;*

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The Chubb Companies**

- (6) A determination of the Insurance Commissioner that the continuation of the policy would place the insurer in violation of the insurance laws of this State;*
- (7) Real property taxes owing on the insured property have been delinquent for 2 or more years and continue delinquent at the time notice of cancellation is issued.*

Policies were terminated because the Company did not write the supporting coverage of the primary homeowner's policy, which is an unfair method of competition and an impermissible reason.

- 1 Exception

18 Del. C. §4122 Notification and reasons for declination or termination

(c) At least 30 days before the end of a policy period, as described in § 4121(c) of this title, an insurer shall deliver or mail to the named insured, at the last known address of the named insured, either of the following:

- (1) Written notice of the insurer's offer to renew the policy if the applicable premium for the policy is received within a specified billing period; or*
- (2) Written notice of the insurer's intention not to renew the policy upon expiration of the current policy period. The notice of intention not to renew shall include or be accompanied by a written explanation of the insurer's specific reason or reasons for the nonrenewal.*

Proof of mailing of either notice shall be retained by the insurer for a period of not less than 1 year. If the insurer fails to comply with either paragraph (c)(1) or (2) of this section, coverage shall be deemed renewed under the same terms and conditions until the named insured has accepted replacement coverage with another insurer or until the named insured has agreed to the nonrenewal.

The Company failed to provide the examiners with the proof of mailing for the non-renewal notice. Lack of such proof implies that the non-renewal notice may not have been sent. However, the non-renewal was rescinded (and the proof of mailing supplied) confirming that the non-renewal was sent, but its proof of mailing not kept.

- 13 exceptions

18 Del. Admin. C. §902 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, in writing, the reason for the inability to affirm or deny coverage for a claim within 30 days.

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, 2016 through August 31, 2018. The purpose of the examination was to determine compliance by the Company with applicable Delaware laws and regulations.

The examination was a targeted market conduct examination of the Company's homeowner's insurance business in the following areas of operation: Complaint Handling, Underwriting and Rating, 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 examiner's report on the errors found in individual files, the desk audit also focuses on general business practices of the Chubb Companies.

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. By-Company weighted samples were made when relevant.

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 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

Vigilant Insurance Company

Vigilant is a wholly owned subsidiary of Federal Insurance Company ("Federal"). Effective January 15, 2016 Federal became a direct, wholly owned subsidiary of Chubb INA Holdings Inc. (then ACE INA Holdings Inc.) (Chubb INA). Chubb INA is a subsidiary of Chubb Group Holdings Inc. (Chubb Group Holdings), which in turn is a wholly owned direct subsidiary of Chubb Limited (formerly ACE Limited). Chubb Group Holdings owns 80% of Chubb INA's voting securities and the remaining 20% are owned directly by Chubb Limited.

Pursuant to an Agreement and Plan of Merger dated as of June 30, 2015, by and among Chubb Limited, William Investment Holdings Corporation ("William Holdings"); and Chubb Corp, Chubb Limited acquired control of Chubb Corp affiliates by becoming, through Chubb INA, the sole owner of 100% of the common stock of Chubb Corp (the "Acquisition"). The Acquisition was affected through the merger ("Merger") of William Holdings, a direct wholly owned subsidiary of Chubb INA, with and into Chubb Corp, with Chubb Corp surviving the Merger.

After completion of the Merger, and effective as of January 15, 2016, Chubb Corp merged with and into ACE INA, with ACE INA the surviving company.

Pacific Indemnity Company

The Chubb Corporation acquired control of Pacific Indemnity Company and its respective subsidiaries, effective November 15, 1967. The Chubb Corporation subsequently transferred its stock in Pacific Indemnity Company to its wholly owned subsidiary, Federal Insurance Company, which presently owns 100% of the stock of Pacific Indemnity Company.

Effective January 15, 2016 Federal became a direct, wholly owned subsidiary of Chubb INA Holdings Inc. (then ACE INA Holdings Inc.) (Chubb INA). Chubb INA is a subsidiary of Chubb Group Holdings Inc. (Chubb Group Holdings), which in turn is a wholly owned direct subsidiary of Chubb Limited (formerly ACE Limited). Chubb Group Holdings owns 80% of Chubb INA's voting securities and the remaining 20% are owned directly by Chubb Limited.

Pursuant to an Agreement and Plan of Merger dated as of June 30, 2015, by and among Chubb Limited, William Investment Holdings Corporation ("William Holdings"); and Chubb Corp, Chubb Limited acquired control of Chubb Corp affiliates by becoming, through Chubb INA, the sole owner of 100% of the common stock of Chubb Corp (the "Acquisition"). The Acquisition was affected through the merger ("Merger") of William Holdings, a direct wholly owned subsidiary of Chubb INA, with and into Chubb Corp,

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with Chubb Corp surviving the Merger.

After completion of the Merger, and effective as of January 15, 2016, Chubb Corp merged with and into ACE INA, with ACE INA the surviving company.

Effective October 1, 2017, Pacific Indemnity Company became a wholly owned subsidiary of Chubb INA Holdings Inc.

Bankers Standard Insurance Company

On July 2, 1999, pursuant to the terms of an Acquisition Agreement by and among CIGNA Corporation, CIGNA Holdings, Inc. and Chubb Limited (then ACE Limited) dated January 11, 1999, Chubb Limited acquired certain assets and companies of the Property and Casualty Division of CIGNA Corporation. As a result of such acquisition, they became indirect wholly owned subsidiaries of Chubb Limited, and is thereby controlled by Chubb Limited.

BSIC is a wholly-owned subsidiary of ACE American Insurance Company, which is a wholly owned subsidiary of INA Holdings Corporation ("INA Holdings"), which is a wholly owned subsidiary of INA Financial Corporation ("INA Financial"), which is a wholly owned subsidiary of INA Corporation, which is a wholly owned subsidiary of Chubb INA Holdings Inc. ("Chubb INA"), which is 80% owned by Chubb Group Holdings Inc. ("Chubb Group Holdings") and 20% owned by Chubb Limited. Chubb Group Holdings is a wholly owned subsidiary of Chubb Limited, the ultimate controlling parent.

Federal Insurance Company

Federal Insurance Company ("Federal") has been an incorporated insurer since 1901. Effective November 15, 1967, Federal Insurance Company and its respective subsidiaries were acquired by The Chubb Corporation ("Chubb Corp").

Effective January 15, 2016 Federal became a direct, wholly owned subsidiary of Chubb INA Holdings Inc. (then ACE INA Holdings Inc.) (Chubb INA). Chubb INA is a subsidiary of Chubb Group Holdings Inc. (Chubb Group Holdings), which in turn is a wholly owned direct subsidiary of Chubb Limited (formerly ACE Limited). Chubb Group Holdings owns 80% of Chubb INA's voting securities and the remaining 20% are owned directly by Chubb Limited.

Pursuant to an Agreement and Plan of Merger dated as of June 30, 2015, by and among Chubb Limited, William Investment Holdings Corporation ("William Holdings"); and Chubb Corp, Chubb Limited acquired control of Chubb Corp affiliates by becoming, through Chubb INA, the sole owner of 100% of the common stock of Chubb Corp (the "Acquisition"). The Acquisition was affected through the merger ("Merger") of William Holdings, a direct wholly owned subsidiary of Chubb INA, with and into Chubb Corp, with Chubb Corp surviving the Merger.

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After completion of the Merger, and effective as of January 15, 2016, Chubb Corp merged with and into ACE INA, with ACE INA the surviving company.

Great Northern Insurance Company

Great Northern Insurance Company (“Great Northern”) became a wholly owned subsidiary of Federal Insurance Company in 1969. Federal Insurance Company presently owns 100% of the stock of Great Northern Insurance Company. Effective November 30, 2008, Great Northern was redomesticated from the state of Minnesota to the State of Indiana.

Effective January 15, 2016 Federal became a direct, wholly owned subsidiary of Chubb INA Holdings Inc. (then ACE INA Holdings Inc.) (Chubb INA). Chubb INA is a subsidiary of Chubb Group Holdings Inc. (Chubb Group Holdings), which in turn is a wholly owned direct subsidiary of Chubb Limited (formerly ACE Limited). Chubb Group Holdings owns 80% of Chubb INA's voting securities and the remaining 20% are owned directly by Chubb Limited.

Pursuant to an Agreement and Plan of Merger dated as of June 30, 2015, by and among Chubb Limited, William Investment Holdings Corporation (“William Holdings”); and Chubb Corp, Chubb Limited acquired control of Chubb Corp affiliates by becoming, through Chubb INA, the sole owner of 100% of the common stock of Chubb Corp (the “Acquisition”). The Acquisition was affected through the merger (“Merger”) of William Holdings, a direct wholly owned subsidiary of Chubb INA, with and into Chubb Corp, with Chubb Corp surviving the Merger.

After completion of the Merger, and effective as of January 15, 2016, Chubb Corp merged with and into ACE INA, with ACE INA the surviving company.

COMPLAINT HANDLING

The Company was asked to provide a listing of all complaints pertaining to personal lines property during the examination period of January 1, 2016 through August 31, 2018. 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 provided a list of five (5) complaints that were filed with the Company during the examination period.

The five (5) complaint files and the complaint log were reviewed for compliance with the Delaware Department of Insurance laws, statutes and regulations including, but not limited to 18 *Del. C.* §2304 (17). This Section of the Code requires maintenance of 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

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insurance, the nature of each complaint, the disposition of the complaint and the time it took to process each complaint. The files were also reviewed for compliance with the NAIC Market Regulation Handbook Standards Chapter 16. The Chubb Company also provided their Complaint Handling guidelines and procedures.

No exceptions were noted in this review.

UNDERWRITING AND RATING

The examination of Underwriting and Rating was conducted and performed in accordance with the laws and regulations of the state of Delaware and the Delaware Department of Insurance. The Company provided a copy of their Personal Lines Property Underwriting and Rating Manuals, along with notices issued to insureds that pertain to credit information, deductibles, and disclosures used for the examination period.

New Business Policies

The examiners were provided a total universe of 746 personal property policies (homeowners, condominium unit owners, rental property, and tenants) for the all companies writing new business during the examination period. The sampling of 113 policies was selected according to the NAIC Market Coordinators Handbook guidelines. Random sampling was use through ACL programming. Examination of the underwriting and rating files was performed to verify the Company's compliance with NAIC guidelines and Delaware Insurance Department bulletins and regulations.

The rate testing consisted of manual rating to ensure the amount of premium being generated by the Company's computer system is in accordance with the Company's filed and approved rates. This process involved the use of rating worksheets with algorithms matching the rating manuals. Due to the complexity and time-consuming nature of manually rating, the selections for personal property were reduced to 10 randomly selected policies to be tested for rating accuracy.

The Company agreed that should there be any inconsistencies noted, additional policies would be requested for testing.

The examiners were able to test and verify the rating of personal property policies in accordance with the Company's file and approved rates.

No exceptions were noted during review.

Renewal Policies

The examiners were provided a total universe of 7,650 personal property policies (homeowners, condominium unit owners, rental property, and tenants) from all companies writing renewal business during the examination period. A sampling of 116

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policies was selected according to the NAIC Market Coordinators Handbook guidelines. Random sampling was used through ACL programming. Examination of the underwriting and rating files was performed to verify the Company's compliance with NAIC guidelines and Delaware Insurance Department bulletins and regulations.

The rate testing consisted of manual rating to ensure the amount of premium being generated by the Company's computer system is in accordance with the Company's filed and approved rates. This process involved the use of rating worksheets with algorithms matching the rating manuals. Due to the complexity and time-consuming nature of manually rating, the selections for personal property were reduced to 10 randomly selected policies to be tested for rating accuracy.

The Company agreed that should there be any inconsistencies noted, additional policies would be requested for testing.

The examiners were able to test and verify the rating of personal property policies in accordance with the Company's file and approved rates.

No exceptions were noted during review.

Terminated Policies

The examiners were provided a total universe of 20 personal property policies (homeowners, condominium unit owners, rental property, and tenants) that were terminated at the request of the Company during the examination period. The entire universe of 20 policies was selected and reviewed. Examination of the underwriting and rating files was performed to verify the Company's compliance with NAIC guidelines and Delaware Insurance Department bulletins and regulations.

In addition, during the review of Complaint Handling, the examiners noted that there was one termination, subsequently rescinded as a result of the involvement of the Delaware Department that qualified as an exception. This termination is noted as an exception in both the Complaint Handling section and noted below.

The following exceptions were noted.

2 Exceptions:

18 Del. C. §2304 (4) - Unfair methods of competition and unfair or deceptive acts or practices defined and 18 Del. C. §4123 - Permissible cancellations

Policies were terminated because the Company did not write the supporting coverage of the primary homeowner's policy, which is an unfair method of competition and an impermissible reason.

Recommendation: It is recommended that the Company provide additional training to ensure compliance with 18 Del. C. §2304 (4) and 18 Del. C. §4123.

1 Exception:

18 Del. C. §4122 Notification and reasons for declination or termination

The Company failed to provide the examiners with the proof of mailing for the non-renewal notice. Lack of such proof implies that the non-renewal notice may not have been sent.

Recommendation: It is recommended that the Company provide additional training to ensure compliance with 18 Del. C. §4122.

Declinations

The Company was asked for a listing of all New Business personal lines property policy that were declined during the examination period. In response, the Company stated that property declinations were not recorded during the Chubb and ACE integration in 2017 and 2018, and that there were no property declinations in 2016.

Inflation Protection

Special emphasis was placed on reviewing the steps involved in determining the Dwelling Coverage amount selected by the customer and the use of any Inflation Protection coverage provisions. The examiners were provided with these steps and our synopsis follows.

The amount of Dwelling Coverage for Homeowners and Fire policies is determined by the agent and customer prior to submitting the new line policy to the Company. After the new line policy is issued, the company inspects the home and determines the amount of Dwelling Coverage. The Company determines the Dwelling Coverage amount with a matrix replacement cost calculator whose values are developed using local contractor interview information and input from third party data sources – Bureau of Labor and Statistics, RS Means, and Marshall Swift Boeckh. As such, the Dwelling Coverage amount initially selected can be revised. The policy is then endorsed to reflect the inspection amount. The inspection report is included in the policy file.

If the agent requests that the company inspect the location prior to coverage being requested, the inspection report for the property will be in the policy file. In most cases, the inspection is conducted for Home new line locations after the new line is submitted by the agent and issued by the company.

The Inflation Protection Coverage, which the Company refers to as the “construction cost adjustment factor”, is automatically applied to home, tenants, and condo policies at each renewal by the Company. The Inflation Protection Coverage, or “construction cost adjustment factor,” is an annual adjustment to the amount of coverage for the house that takes into account changes in the cost of construction materials and labor that impact the rebuilding of a home. These costs are developed by industry data providers such as RSMMeans, Marshall & Swift/Boeckh and the Bureau of Labor Statistics and are geographically specific. RSMMeans data is based on 5-kdigit zip-codes. Marshall & Swift/Boeckh data is based on regions.

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The Company further validates this data by conducting interviews with local contractors who specialize in rebuilding the types of homes they insure. This information is further supplemented by an internal analysis of claim severity trends related to building losses. From these sources, the Company develops their own proprietary factors.

The Company states that the purpose of the annual adjustment is to ensure that a home is properly valued at its full replacement cost at the time of loss. The “construction cost adjustment factor” is applied to the Coverage Amount at renewal. The factor is influenced by market conditions based on the data utilized. Generally, the factor increases. However, within the past ten (10) years, the Company states there have been periods where the factor has fluctuated between increases and decreases.

CLAIMS HANDLING

The examination of claims was conducted and performed in accordance with the laws and regulations of the state of Delaware and the Delaware Department of Insurance. The Company provided the requested documents and access to their claims system that allowed the examiners access to their procedures and reference materials related to the handling of claims used for the examination period. These were reviewed and found appropriate.

The Company also provided access to their claims system that allowed the examiners access to all newsletters, bulletins and other documents regularly sent to claims adjusters. A random sample of these were selected and reviewed, and there were no issues with their content.

All the Chubb Companies claims are handled by the same Claims personnel, using the same processes and procedures.

The Company provided a list of 396 claims and the examiners segmented their review by Paid, Closed Without Payment and Denied Claims.

Paid Claims

For the examination period there were 305 Paid Claims, resulting in a sample of 82.

The following exceptions were noted.

10 Exceptions:

18 Del. Admin. C. §902 Prohibited Unfair Claim Settlement Practices

The Company failed to provide a coverage decision within 30 days or provide a written reason to the person presenting the claim why such a decision could not be made.

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Recommendation: It is recommended that the Company provide additional training to ensure compliance with 18 *Del. Admin. C. §902*.

Closed Without Payment Claims

For the examination period there were 69 Closed Without Payment Claims; all were reviewed.

The following exception was noted.

1 Exception:

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

The Company failed to provide a coverage decision within 30 days or provide a written reason to the person presenting the claim why such a decision could not be made.

Recommendation: It is recommended that the Company provide additional training to ensure compliance with 18 *Del. Admin. C. §902*.

Denied Claims

For the examination period there were 22 Denied Claims; all were reviewed.

The following exceptions were noted.

2 Exceptions:

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

The Company failed to provide a coverage decision within 30 days or provide a written reason to the person presenting the claim why such a decision could not be made.

Recommendation: It is recommended that the Company provide additional training to ensure compliance with 18 *Del. Admin. C. §902*.

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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 only permissible reasons allowed by 18 *Del. C.* §2304 (4) and 18 *Del. C.* §4123 are used to terminate policies. (Underwriting and Rating)
2. It is recommended that the Company provide additional training to retain the proof of appropriate mailing as required by 18 *Del. C.* §4122. (Underwriting and Rating)
3. It is recommended that the Company provide additional training to ensure coverage decisions are made within 30 days or if a decision cannot be made within 30 days, to provide a written reason to the person presenting the claim, as required by 18 *Del. Admin. C.* §902. (Claims)

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



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