STATE OF INDIANA	)	**BEFORE THE INDIANA**
	) **SS:**	**COMMISSIONER OF INSURANCE**
COUNTY OF MARION	)	

WARRENT NUMBER: 11563-MC12-0831-0071

IN THE MATTER OF:

Unique
Insurance Company,
4245 N. Knox
Chicago, Illinios 60641
NAIC No. 10655

Respondent

FILED
MAR 20 2015
STATE OF INDIANA
DEPT. OF INSURANCE

ORDER

Comes now the Indiana Department of Insurance and files its Motion to Terminate Final Order in the following words and figures, to wit:

(H.I.)

The Commissioner of the Indiana Department of Insurance, having read and carefully considered the same, orders that:

1. The Final Order issued on January 9, 2015 against Unique Insurance Company shall be terminated.

ALL OF WHICH IS ORDERED THIS 20th day of March 2015.

Stephen W. Robertson, Commissioner of Insurance
Indiana Department of Insurance

Distribution:

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STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE
	)	
	)	WARRANT NUMBER: 11563-MC12-0831-007

IN THE MATTER OF:

UNIQUE INSURANCE COMPANY
4245 N. Knox
Chicago, IL 60641

NAIC Number: 10655

Market Conduct Examination

FILED

JAN 09 2015

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

This matter comes before Stephen W. Robertson, Commissioner of the Indiana Department of Insurance (the "Commissioner") as a result of his consideration and review of the Verified Examination Report prepared by Ingardus, LLC ("Ingardus"), relevant workpapers, and the submission provided by Unique Insurance Company in the above-captioned market conduct examination of Unique Insurance Company ("Unique" or the "Company") for the period of July 1, 2010, through August 31, 2012. The Commissioner now issues the following Findings of Fact, Conclusions of Law and Final Order.

FINDINGS OF FACT

1. Unique is an Illinois-domiciled property & casualty insurer with its principle place of business and home office located in Chicago, Illinois.
2. Unique was incorporated on March 21, 1996, began operating on April 4, 1996, and started writing business in Indiana in 2008 to drivers who have difficulty obtaining automobile coverage within the standard insurance market.

3. At all relevant times, Unique was licensed as a property & casualty company in Indiana.
4. From 2010 through 2012, the Company's Gross Indiana Premium Written was Eight Million Two Hundred Ninety Thousand Seven Hundred Sixty Dollars ($8,290,760), according to its filed Annual Financial Statements.
5. From January 1, 2010, through December 31, 2012, the Indiana Department of Insurance (the "Department") received thirty eight (38) complaints regarding Unique. Unique's complaint index in 2010 was 19.34; in 2011 Unique's complaint index was 18.09; and in 2012 Unique's complaint index was 19.56.
6. A complaint index of 1.00 means the insurer's share of all complaints received is equal to its share of all business written in Indiana. A complaint index of 19.00 means the insurer's share of all the complaints received by the Department is nineteen (19) times as large as its share of business written in Indiana.
7. The Department's Consumer Services Division received and reviewed consumer complaints against Unique and its handling of claims and escalated those complaints to the Enforcement Division due to their apparent egregious practices.
8. The Enforcement Division entered into an Agreed Entry with Unique on September 28, 2011, to resolve violations of the Unfair Competition; Unfair or Deceptive Acts and Practices statute.
9. After the September 28; 2011 Agreed Entry, the Consumer Services Division continued receiving complaints from consumers regarding Unique's handling of claims; the Enforcement Division escalated the company action to the Market Conduct staff.

10. On October 3, 2012 the Commissioner issued an Examination Warrant and appointed Ingardus as examiner to perform a targeted market conduct examination (the "Examination") of Unique for the period of July 1, 2010, through August 31, 2012. The scope of the examination was limited to determining whether Unique:
    a. failed to properly process claims in violation of Indiana's Unfair Claims Settlement Practices Act found in Ind. Code § 27-4-1-4.5;
    b. failed to adequately and timely respond to complaints in violation of Ind. Code § 27-4-1-5.6;
    c. violated Indiana Code § 27-4-1-1 *et. seq.*; or
    d. violated any other Indiana insurance laws.
11. On October 3, 2012, the Company was notified of the Examination.
12. The Examiner-in-Charge ("Examiner") of the market conduct examination has completed review of the Company's management and operations, complaint handling, and claims handling and the effect those had on consumers.
13. On September 12, 2014, the Department provided the Company with a draft examination report concerning the findings of the market conduct examination ("Examination"), and the Company was given an opportunity to comment thereon.
14. The Department engaged in discussions with the Company with respect to regulatory concerns raised by the Examination, the Company's submission and admissions to the draft report, continued violation of an Agreed Entry, and a substantial increase in complaints received by the Department while the Examination was underway.
15. During its examination, Ingardus reviewed, among other things, Unique's (i) procedures for investigating and handling claims, (ii) procedures and practices for

resolving claims, (iii) responses to complaints, and (iv) operations and business practices, procedures and documents. (Ex. A at pp. 8-9).

16. Pursuant to standard market conduct examination procedures, the Examiner reviewed a statistical sample of Unique's files. The examiners sampled:

- 24 complaint files;
- 71 claim files with no minimum claim payment or reserve amount; and
- 60 claim files with total claim payments and reserves each in excess of Two Thousand Dollars ($2,000).

(Verified Report, pp. 8-9).

17. During the Examination, the Company's responses were often incomplete or untimely. (Verified Report, p. 9).

18. The examination "resulted in a total of 339 potential violations in which [Unique] may not have been fully compliant with Indiana insurance statutes, regulations, and rules or failed to follow specific written interpretation provided by the Indiana Department of Insurance in Bulletin 82." (Ex. A at p. 10).

19. Notably, Unique did not provide, after repeated requests, documentation demonstrating that adequate standards, processes, or other internal controls had been adopted and/or implemented to ensure the following:

a. the prompt investigation of claims; (Ex. A at p. 18)

b. the fair and equitable settlements of claims; (Ex. A at p. 23) or

c. the timely communication with claimants and regulatory agencies; (Ex. A at pp. 24, 27, and 31).

20. During the course of the Examination the examiner issued follow up request documents called "Concerns" to the Company for clarification and/or correction of any investigative interpretation, finding or conclusion. (Ex. C)

21. The Company's response to every Concern failed to address the potential violations for the period covered by the Examination. (Ex A pp 16, 17, 20, 23 and 24)

22. The Company's response to various Concerns was that "new practices would be enforced" or "Unique maintains that [it] ha[s] adopted and implemented reasonable standards for the prompt investigation of claims" or "has removed the requirement for a Report of Accident and gives weight to all available sources of information in order to ensure proper, fair handling of every matter on its individual merits" or "the Company is now in position to effectuate settlements in those cases in which liability is reasonably clear" or " The Company will henceforth cite and quote specific policy language, and the reason for the denial". (Ex A pp 16, 17, 20, 23 and 24).

23. In its responses to the presented Concerns, the Company did not provide any documentation from which the Examiner could verify the accuracy of those statements.

24. The Company admitted that "Illinois Insurance Code was used for Indiana claims and investigation procedures. The Illinois Insurance Code does not require the Company to 'act reasonably promptly upon communications.' " (Ex A p15)

25. On November 6, 2014, Ingardus tendered a Verified Examination Report ("Report") to the Department. (Ex. A)

26. On November 12, 2014, the Report concerning the findings of the Examination was provided to the Company and the Company was given an opportunity to tender its written submission/rebuttal.

27. On December 11, 2014, Unique tendered its written submission or rebuttal to the Report and attached a November 14, 2013, letter previously submitted to the Department. (Exhibit B).

28. Findings of Fact and conclusions made pursuant to any examination shall be prima facie evidence in any legal or regulatory action. Ind. Code §27-1-3.1-9.

29. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated as such.

CONCLUSIONS OF LAW

30. The Department is authorized to regulate the practice of insurance pursuant to Indiana Code Title 27.

31. Under the authority of Ind. Code § 27-1-3.1-1 *et. seq.* (the "Examination Statute"), the Commissioner may conduct an examination of any company. (Ind. Code § 27-1-3.1-8(a)(1)).

32. For purposes of such an examination, "company" means any person engaging in any transaction or kind of insurance and any person who may otherwise be subject to the administrative, regulatory, or taxing authority of the Commissioner. (Ind. Code § 27-1-3.1-2).

33. Unique is a "company" as defined in Ind. Code § 27-1-3.2-2.

34. The Department and Ingardus conducted the Examination in compliance with Indiana's Examination Statute and the NAIC Market Regulation Handbook.

35. During the course of the Examination it became evident that Unique was operating in violation of Indiana law and to the detriment of consumers, thereby invoking Ind. Code §. 27-1-3.1-14(c) and (d).

36. Ingardus provided the Department a Report of its factual findings on November 6, 2014.

37. Pursuant to Ind. Code § 27-1-3.1-14(d), the Examination Statute authorizes the Commissioner to use and, if appropriate, to make public any preliminary examination report, any examiner or company work papers or other documents, or any other information discovered or developed during the course of an Examination in the furtherance of any legal or regulatory action that the Commissioner may, in the Commissioner's sole discretion, consider appropriate.

38. The Report prepared by Ingardus and tendered to the Department on November 6, 2014, attached hereto as Exhibit A, is appropriate for the Commissioner to use in the furtherance of legal or regulatory action.

39. If the Commissioner determines that regulatory action is appropriate as a result of any examination, the Commissioner may initiate any proceedings or actions authorized by law. (Ind. Code § 27-1-3.1-14(c)).

40. The conditions prescribed by law for granting a certificate of authority are found in Ind. Code § 27-1-3-20. One such condition dictates that no certificate of authority shall be issued until the Commissioner has found that the company has submitted a sound plan of operation. (Ind. Code § 27-1-3-20(a)(1)). In addition, the Commissioner may issue a certificate of authority to any company when it has complied with the requirements of the laws of this state so as to entitle it to do business herein. Ind. Code §27-1-3-20(a).

41. Upon review of the Report and relevant workpapers, it has become apparent that Unique does not have a sound plan of operation as indicated by the fact that the Company does not have procedures in place to resolve consumer claims.

42. In addition, after reviewing the Report and the Company Submission it has become evident that Unique has not complied with the requirements of this state which entitles it to do business in this state.

43. Pursuant to Ind. Code § 27-1-3.1-11(b), if an examination report reveals that the company is operating in violation of any law, regulation, or prior order of the Commissioner, the Commissioner may order the company to take any action the Commissioner considers necessary and appropriate to cure that violation.

44. The Company committed 55 known violations of Ind. Code § 27-4-1-4.5(2) by failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.

45. The Company committed 17 known violations of Ind. Code § 27-4-1-4.5(3) by failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.

46. The Company committed 14 known violations of Ind. Code § 27-4-1-4.5(4) by refusing to pay claims without conducting a reasonable investigation based upon all available information.

47. The Company committed 70 known violations of Ind. Code § 27-4-1-4.5(6) by not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear. Of these, 13 were not fair, 31 were not prompt, and 26 were both not fair *and* not prompt.

48. The Company committed 21 known violations of Ind. Code § 27-4-1-4.5(14) by failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

49. The Company committed 16 known violations of Ind. Code § 27-4-1-4.5(15) by ascribing a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault on the part of that person.

50. The Company committed 39 known violations of Ind. Code § 27-4-1-5.6(b) by failing to appropriately respond to complaints received by the Department.

51. The Company committed 13 known violations of Ind. Code § 27-4-1.5-8 by failing to provide notice of choice of body parts for automobile repair.

52. The Company committed 40 known violations of the Department's directions, found in Bulletin 82, that payment of sales tax is necessary to fully compensate a claimant for a loss. Failure to abide by this Bulletin constitutes additional violations of Ind. Code § 27-4-1-4.5(3).

53. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

ORDER

The Commissioner, having reviewed the Report, Unique's Submission and relevant workpapers, hereby ADOPTS the Report and enters the following Order to cure Unique's violations of Indiana law:

1. Unique shall cease writing new business in Indiana until a Corrective Action Plan, addressing the violations enumerated in the Report, is approved by the Department and implemented by Unique. However, the Company will be expected to continue to fulfill its obligation under existing policies until such time as they expire or are cancelled by the insured or terminated for non-payment under the Company's existing policies and procedures. The Corrective Action Plan must include the following:

a. deadlines for corrective measures to have been taken;

b. documentation that policies and procedures have been written and provided to employees;

c. acknowledgement that claims are being resolved based on Indiana law;

d. documentation that claims are being resolved within a reasonable time period, to be no longer than thirty (30) days;

e. ongoing monitoring by Ingardus and the Department;

f. regular communication with claimants; and

g. monthly written updates to the Department.

2. All action taken pursuant to the Corrective Action Plan must be finalized within one (1) year from the date of this Order.

3. Ingardus shall monitor, at Unique's expense, the claims handling of all run off claims open, closed or unpaid until such time as the Corrective Action Plan referred to above is instituted.

4. Unique shall provide restitution to all policyholders whose claims are determined by Ingardus in consultation with the Department to have been resolved unfairly or in violation of Indiana law.

ALL OF WHICH IS ORDERED THIS 9th day of January 2015.

Stephen W. Robertson, Commissioner of Insurance
Indiana Department of Insurance

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Exhibit A

STATE OF INDIANA

DEPARTMENT OF INSURANCE

TARGET MARKET CONDUCT FINDINGS REPORT

For the Period July 1, 2010 through August 31, 2012

UNIQUE INSURANCE COMPANY
4245 North Knox
Chicago, Illinois 60641

NAIC COMPANY CODE 10655

Warrant # 11563-MC12-0831-007

November 5, 2014

EXAMINATION REPORT PREPARED BY EXAMINERS FOR THE INDIANA DEPARTMENT OF INSURANCE

Ingardus, LLC
One Indiana Square, Suite 3501
Indianapolis, Indiana 46204

November 5, 2014

Honorable Stephen W. Robertson
Commissioner of Insurance
Department of Insurance for the State of Indiana
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204

Re: Unique Insurance Company
NAIC Company Code 10655
Period July 1, 2010 through August 31, 2012

Dear Commissioner Robertson:

Pursuant to the instructions set forth in the Examination Warrant Number 11563-MC12-0831-007 and in compliance with the statutory provisions contained in Indiana Code § 27-1-3.1-1 et seq., a Target Market Conduct Examination was performed on Unique Insurance Company to determine compliance with Indiana's insurance statutes, regulations and rules.

The Report of Examination is hereby respectfully submitted.

TABLE OF CONTENTS

PURPOSE AND SCOPE OF EXAMINATION

The purpose of this Target Market Conduct Examination (Examination) was to determine whether Unique Insurance Company complied with certain insurance statutes, regulations and rules of the State of Indiana. Unique Insurance Company will be referred to as Unique or the Company in this Examination Report.

The scope of the Examination included the review of Indiana substandard personal automobile insurance policies sold by Unique during the period July 1, 2010 through and including August 31, 2012 (the Period). As provided in Indiana Code § 27-1-3.1-15, all working papers, recorded information, documents, and copies thereof produced by, obtained by, or disclosed to the Indiana Commissioner of Insurance or any other person in the course of this Examination are exempt from public disclosure pursuant to Indiana Code § 5-14-3-4, except to the extent provided in Indiana Code § 27-1-3.1-14. This Examination was conducted under the supervision of the Indiana Department of Insurance and its Market Conduct Staff.

The Examination was based on standards and testing approved by the Indiana Department of Insurance as well as the standards and methodologies contained in the Market Regulation Handbook issued by the National Association of Insurance Commissioners. The Market Regulation Handbook's standards and methodologies served as a general guide for the Examination and, when and where necessary, the standards were modified to meet the requirements of the Indiana Department of Insurance and, to incorporate Indiana's statutes, regulations and rules.

The Examiners relied primarily on records and information produced by Unique. The Examiners also relied upon other publicly available and reliable sources of information about the Company. The Examination was conducted primarily off-site. The majority of records and information produced by Unique was, as requested, submitted electronically to the Examiners.

The Examination procedures included a review of the following areas:

- Company Operations and Management
- Complaint Handling
- Claims

This Examination Report lists only those findings that were found to be in non-compliance with statutes, regulations or rules of the State of Indiana. All unacceptable or non-complying practices, procedures or files may not have been identified, referenced or listed by the Examiners in this Examination Report; however, the failure to identify, reference or list specific Unique practices, procedures, or files does not constitute a waiver, acceptance or ratification of such practices, procedures or files by the Indiana Department of Insurance.

Ingardus personnel participated in this Examination in their capacity as market conduct Examiners pursuant to Indiana Code § 27-1-3.1 *et seq.* Accordingly, Ingardus provides no representations regarding questions of legal interpretation or opinion. The Indiana Department of Insurance is the sole determiner of all findings constituting violations of its statutes, regulations and/or rules.

COMPANY PROFILE

Unique Insurance Company is an Illinois domiciled property casualty insurer with offices located in Chicago, Illinois. The Company was incorporated on March 21, 1996, began operations on April 4, 1996 and started writing business in Indiana in 2008. Unique holds five (5) certificates of authority for the states of Illinois, Indiana, Mississippi, Kentucky and New Mexico; however, during the Period under review, the Company was not writing/selling substandard automobile insurance policies in Kentucky and New Mexico. During the examination Period, all policy administration, including claim and complaint processing, was performed by Unique at its offices in Chicago, Illinois.

The Company sells and issues private passenger and commercial automobile insurance coverage to Indiana drivers who have difficulty obtaining similar automobile coverage within Indiana's standard insurance market. The Company distributes its policies through independent insurance agencies.

Operations in Indiana

Unique's gross insurance premiums written in Indiana are illustrated in the following table. The table provides five (5) years of data to effectively demonstrate trends. Additionally, the growth rates in total premiums written for all states are listed. The rates for all states in which the Company writes business, including Indiana, are provided below in order to illustrate the rate of premium growth in Indiana for the Company as compared to the Company as a whole.

Year	Number of Indiana Policyholders as of December 31	Gross Indiana Premium Written	Percentage of Indiana Premium to Total Premium Written	Growth Rate of Indiana Premium Written	Growth Rate of Total Premium Written
2008	600	$650,900	2%		
2009	1,150	$1,308,772	4%	101%	11%
2010	1,743	$1,866,406	6%	43%	11%
2011	2,906	$2,985,579	8%	60%	21%
2012	3,851	$3,438,775	9%	15%	(5%)

Unique's direct losses incurred in Indiana are illustrated in the following table. Additionally, the growth rates in losses incurred for all states are listed. Again, the rates for all states in which the Company writes business, including Indiana, are provided in order to illustrate the growth rate of claims (and therefore claims processing) occurring for Indiana claims versus the Company as a whole.

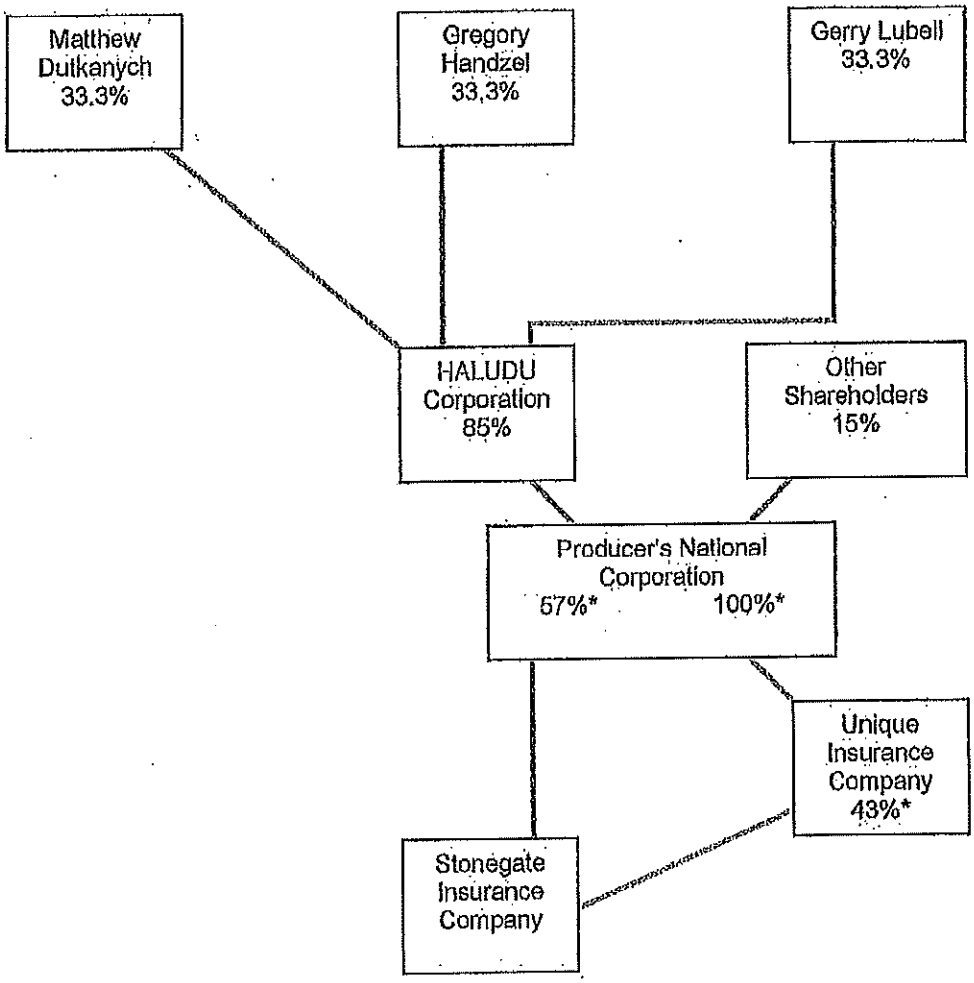
Year	Indiana Losses Incurred	Percentage of Indiana Losses Incurred to Total Losses Incurred	Growth Rate of Indiana Losses Incurred	Growth Rate of Total Losses Incurred
2008	$240,320	2%		
2009	$739,934	6%	208%	16%
2010	$760,061	5%	3%	32%
2011	$1,143,294	7%	50%	8%
2012	$1,857,046	11%	62%	2%

Unique's direct losses incurred, direct defense and cost containment expenses incurred, and direct premiums earned for the State of Indiana are illustrated in the following table. Additionally, the resulting loss ratios for the State of Indiana are listed.

Year	Direct Losses Incurred	Direct Defense and Cost Containment Expenses Incurred	Direct Premiums Earned	Loss Ratio
2008	$240,320	$11,743	$731,063	35%
2009	$739,934	$32,123	$1,112,548	69%
2010	$760,061	$38,058	$1,550,204	52%
2011	$1,143,294	$36,678	$2,731,893	43%
2012	$1,857,046	$71,939	$3,187,263	61%

Ownership

Unique is a wholly owned subsidiary of Producer's National Corporation. HALUDU Corporation owns eighty-five percent (85%) of Producer's National Corporation. Matthew Dutkanych, Gregory Handzel and Gerry Lubell each own thirty-three and one-third percent (33.3%) of HALUDU Corporation. Matthew Dutkanych is the President and Treasurer of Unique, and Gregory Handzel is the Secretary of Unique.



* Stonegate Insurance Company is 57% owned by Producer's National Corporation and 43% owned by Unique Insurance Company. Stonegate Insurance Company is licensed only in Illinois and does not have any Indiana policyholders. Stonegate Insurance Company insures preferred private passenger automobile coverage, homeowners, liquor liability, general liability and commercial automobile coverage. Producer's National Corporation owns 100% of Unique Insurance Company.

EXAMINERS METHODOLOGY

Company Operations and Management

The Examiners reviewed procedures in the area of Company Operations and Management. The constraint was based on the targeted nature of the Examination Warrant that focused primarily on Complaint Handling and Claims. However, the Examiners, as a part of reviewing the targeted areas, requested a number of corporate operations and management documents from the Company such as organizational information, internal audit reports, third-party contracts, policy forms and compensation policies for claims related personnel. The Company's responses to data requests were reviewed by the Examiners to determine compliance with the examination standards as well as certain Indiana insurance statutes, regulations and rules. The Examiners did not use sample-testing procedures in reviewing the Company's Operations and Management areas.

Complaint Handling

The Examiners requested the Company's written complaint handling procedures to determine compliance with the examination standards as well as Indiana insurance statutes, regulations and rules.

When sampling was used, a 5% margin of error was utilized with a 95% confidence level. However, if an issue appeared to be systemic, or when due to the sampling process it was not feasible to establish an exception percentage, a minimum error tolerance percentage was not utilized. ActiveData for Excel® was the computer program used to select the random sample. For the sample testing performed, using the techniques described above, twenty-four (24) complaint files were randomly selected from a population of thirty-four (34) Indiana complaints made during the Period under review. When a randomly selected sample complaint file was also related to a claims matter, the complaint file was tested for compliance with Indiana insurance statutes, regulations and rules for both complaints and claims.

Claims

The Examiners requested the Company's written claims and investigation procedures to determine compliance with the examination standards as well as Indiana insurance statutes, regulations and rules.

When sampling was used, a 5% margin of error was utilized with a 95% confidence level. However, if an issue appeared to be systemic, or when due to the sampling process it was not feasible to establish an exception percentage, a minimum error tolerance percentage was not utilized. ActiveData for Excel® was the computerized program used

to select the random sample. For the sample testing performed, using the techniques described above, from a population of 1,775 Indiana personal automobile claims made (both paid and unpaid) during the Period under review, two samples were randomly selected. The first sample included a total of seventy-one (71) claim files with no minimum claim payment or reserve amount (Claim Files Sample One). The second sample included only those claims with total claim payments and reserves each in excess of $2,000. The second sample included a total of sixty (60) Indiana claim files (Claim Files Sample Two).

Concerns

In consultation with the Indiana Department of Insurance, the Examiners submitted Concern forms to the Company that identified and communicated the preliminary factual findings and also identified potential non-compliance with Indiana insurance statutes, regulations and rules.

LEVEL OF COOPERATION

The Company's examination coordinator was cooperative during the Examination; however, the Company's responses to the Examiners were frequently incomplete or untimely, particularly in the initial phase of the examination.

EXAMINATION REPORT SUMMARY

The Examination resulted in a total of 336 potential violations in which the Company may not have been fully compliant with Indiana insurance statutes, regulations, and rules or failed to follow specific written interpretation provided by the Indiana Department of Insurance in Bulletin 82.

The potential violations, summarized by Indiana insurance statute, regulation, rule or bulletin, are as follows:

Indiana Statute or Bulletin	Number of Potential Violations
Indiana Code § 27-4-1-4.5(2) *Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.*	55
Indiana Code § 27-4-1-4.5(3) *Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.*	17
Indiana Code § 27-4-1-4.5(4) *Refusing to pay claims without conducting a reasonable investigation based upon all available information.*	14
Indiana Code § 27-4-1-4.5(6) *Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.*	121
Indiana Code § 27-4-1-4.5(14) *Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.*	21
Indiana Code § 27-4-1-4.5(15) *In negotiations concerning liability insurance claims, ascribing a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault on the part of that person.*	16
Indiana Code § 27-4-1-5.6(b) *Unfair claim settlement practice complaint; response; investigation; report; notice of remedies*	39
Indiana Code § 27-4-1.5-8 *Insurer notice to insured; body parts to be used in repair*	13
Indiana Insurance Bulletin 82 Automobile Insurance – Sales Tax	40
Total Exceptions	336

The potential violations occurred in two general areas tested by the Examiners – Complaint Handling and Claims. The exceptions are enumerated in bold type and further described under the **Detail Findings** section of this Examination Report.

Additionally, the Examiners noted findings where the Company's practices deviated from the Market Regulation Handbook standards. The findings are being reported due to the impact each deviated practice could have on Indiana policyholders and consumers. The findings occurred in two areas tested by the Examiners – Complaint Handling and Claims. The findings are summarized as follows:

- Lack of complaint handling procedures;
- Lack of claim file documentation;
- Incorrectly referenced and relied on the Illinois Department of Insurance instead of the Indiana Department of Insurance on notification letters, status letters and other correspondence between the Company and insureds; and
- Lack of claims and investigation procedures.

The findings are listed under the Complaint Handling and Claims category headings. Each finding and Market Regulation Handbook standard practice is described in the **Detail Findings** section of the Examination Report in order of appearance in the Market Regulation Handbook.

The report reader should refer to the **Examiners Methodology** section of the Examination Report for additional details on: (i) how each area was tested and (ii) sampling methodologies used, if any.

This examination included three (3) separate random samples consisting of:

- a random sample of complaint files (Complaint Files);
- a random sample of claim files with no minimum claim payment or reserve amount (Claim Files Sample One); and
- a random sample of claim files with total claim payments and reserves each in excess of $2,000 (Claim Files Sample Two).

The Examiners noted each sample in which the same file was selected across multiple samples. In each case where the same claim was selected in two (2) or more samples, the Examiners reconciled the samples in each category to eliminate duplicate findings.

Company Operations and Management

As noted in the **Examiners Methodology** section of the Examination Report, the Examiners reviewed procedures in the area of Company Operations and Management. Sample testing was not used in this area.

No specific potential violations were noted in this area.

Complaint Handling

As noted in the **Examiners Methodology** section of the Examination Report, the focus of testing in this area was compliance with Indiana insurance statutes, regulations and rules relating to the handling of policyholder and third party complaints. For certain testing, sampling techniques were used. When sampling techniques were used, the Examiners utilized a sample size of twenty-four (24). However, when a sample complaint file was also related to a claims matter, the complaint file was tested for compliance with Indiana insurance statutes, regulations and rules for both complaints and claims.

Of the total 336 **potential violations** noted across both the complaint handling and claims areas, thirty-nine (39) are specific to complaint handling and are potential violations of Indiana Code § 27-4-1-5.6(b), *Unfair claim settlement practice complaint; response; investigation; report; notice of remedies.*

In addition to the potential violations, there was one (1) finding in the complaint handling area where the Company's practices deviated from the Market Regulation Handbook standards. Specifically, the Company lacked adequate complaint handling procedures deviating from Standard 2 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Complaint Handling that advises, "The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders."

Claims

As noted in the **Examiners Methodology** section of the Examination Report, the focus of testing in this area was compliance with Indiana insurance statutes, regulations and rules related to the handling and payment of claims. For certain testing, sampling techniques were used. When sampling was used, from a population of 1,775 Indiana personal automobile claims made (both paid and unpaid) during the Period under review, two (2) samples were randomly selected.

- The first random sample included a total of seventy-one (71) Indiana claim files with no minimum claim payment or reserve amount (Claim Files Sample One).

- The second random sample included only those claims with total claim payments and reserves each in excess of $2,000. The second sample included a total of sixty (60) Indiana claim files (Claim Files Sample Two).

Of the total 336 potential violations noted across both the complaint handling and claims areas, two hundred ninety-seven (297) are specific to claims and can be further broken down as follows:

- Two hundred forty-four (244) potential violations of Indiana Code § 27-4-1-4.5, *Enumeration of unfair claim settlement practices*;

- Thirteen (13) potential violations of Indiana Code § 27-4-1.5-8, *Auto Repair Claims Settlement*; and

- Forty (40) potential instances where the Company failed to follow written interpretation provided in Indiana Insurance Bulletin 82, *Automobile Insurance-Sales Tax*.

In addition to the potential violations, there were three (3) findings in the claims area where the Company's practices deviated from the Market Regulation Handbook standards. Specifically, the Company:

- Lacked claim file documentation;
- Incorrectly referenced and identified Illinois Insurance Department laws; and
- Lacked claims and investigation procedures.

These three (3) findings deviated from the following Market Regulation Handbook standards:

- Standard 1 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "The initial contact by the regulated entity with the claimant is within the required time frame."

- Standard 2 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "Timely investigations are conducted."

- Standard 3 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "Claims are resolved in a timely manner."

- Standard 4 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "The regulated entity responds to claims correspondence in a timely manner."

- Standard 5 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "Claim files are adequately documented."

- Standard 7 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims that states, "Regulated entity claim forms are appropriate for the type of product."

- Standard 11 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Operations/Management that states, "The regulated entity has developed and implemented written policies, standards and procedures for the management of insurance information."

DETAILED FINDINGS

The following detailed findings are an expansion of the Examination Report Summary section. The findings are listed by Indiana Code Section, Indiana Insurance Bulletin and standards number rather than by examination area (e.g., Complaint Handling and Claims).

POTENTIAL VIOLATIONS

Indiana Code § 27-4-1-4.5(2)

Indiana Code § 27-4-1-4.5(2) provides, in part:

> Sec. 4.5. The following are unfair claim settlement practices:
>
> (2) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.

The Company does not apply a specific internal standard for communications for which the Examiners could test against. Instead, the Company stated that the Illinois Insurance Code was used as the guideline for the Company's claims and investigation procedures. The Illinois Insurance Code is not identical to Indiana's. The Illinois Insurance Code does not require the Company to "act reasonably promptly upon communications." The Indiana Insurance Code specifically requires a company to act reasonably promptly upon communications. For purposes of testing compliance with this Indiana Code section, the Examiners used a standard of fourteen (14) calendar days to measure communications response time as a reasonable expectation. The Indiana Department approved this standard as an appropriate benchmark.

The following number of files contained evidence that the Company failed to acknowledge and act reasonably promptly upon communications with respect to claims arising under its insurance policies:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	12	50%
Claim Files Sample One	18	25%
Claim Files Sample Two	28	47%
Subtotal	58	
Duplicate Exceptions	(3)	
Total Exceptions	55	

The following table separates the fifty-five (55) identified exceptions noted above by length of communication delays in calendar days:

	14 to 30 Days	31 to 60 Days	Greater than 60 Days	Total
Exceptions	24	20	11	55

Recommendation:
It is recommended that the Company ensure appropriate benchmarks, formal measurements, internal management reporting, and controls are in place so the Company can systematically confirm it is acknowledging and acting reasonably promptly upon communications from all outside parties with respect to complaints and claims arising under its Indiana insurance policies.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "In order to ensure that there are no future concerns, and eliminate any accidental comingling of out-of-state claims, files or law, the Company has invested in an Indianapolis claims office, *supra*, and hired an experienced claims manager and adjusters who only process Indiana auto claims. Added to the existing duties of the manager are bi-annual reviews of adjuster performance, a monthly, random selection of claims for audit and examination, and continuing education as to any changes and updates in law and policies. These practices will be enforced for the purpose of ensuring self-examination." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-4.5(3)

Indiana Code § 27-4-1-4.5(3) provides, in part:

> Sec. 4.5. The following are unfair claim settlement practices:
>
> (3) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.

The following number of files contained evidence that the Company failed to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	4	17%
Claim Files Sample One	4	6%
Claim Files Sample Two	13	22%
Subtotal	21	
Duplicate Exceptions	(4)	
Total Exceptions	17	

The seventeen (17) exceptions can be further broken down into the following categories:

- Nine (9) claim files contained evidence that the Company did not timely pursue procurement of available police reports. The Company then used the fact that the police report was absent as a reason for not being able to settle the claim.

- Eight (8) claim files contained other evidence that the Company did not adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies. For example, in the case of a stolen vehicle, the Company did not promptly request the Company's Stolen Vehicle Sworn Statement of the insured. The Company requires this statement to be completed by the insured to pay the claim and in this specific case the Company did not timely request the insured to provide the statement.

Recommendation:
It is recommended that the Company adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies. The Company should promptly obtain all reasonably available claim evidence and timely complete its investigation. The Company should develop written procedures and acceptable timeframes for obtaining and evaluating available claim evidence promptly. The Company should provide its claims adjusters with appropriate training and supervision related to these procedures and required timeframes.

Company Response:
The Examiners submitted a Concern form to the Company identifying and communicating the Examiners' preliminary findings of potential violations of Indiana Code § 27-4-1-4.5(3). The Company responded to the Examiners' Concern form in a document dated April 24, 2014; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "...Unique Insurance Company maintains that we have adopted and implemented

reasonable standards for the prompt investigation of claims." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-4.5(4)

Indiana Code § 27-4-1-4.5(4) provides, in part:

> Sec. 4.5. The following are unfair claim settlement practices:
>
> (4) Refusing to pay claims without conducting a reasonable investigation based upon all available information.

The following number of files contained evidence that the Company refused to pay claims without conducting a reasonable investigation based upon all available information;

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	9	38%
Claim Files Sample One	-#	-
Claim Files Sample Two	5	8%
Subtotal	14	
Duplicate Exceptions	-	
Total Exceptions	14	

The exceptions noted were less than the 5% margin of error required for exception reporting.

The following table further describes the identified exceptions by general reason.

Reason	Number of Exceptions
The Company cited the insured's lack of cooperation as the reason for delaying or denying settlement to a claimant. In each of these exceptions, the insured and claimant are not the same person. This delay or denial occurred even though other means of conducting a reasonable investigation based upon all available information may have been available to the Company. These other means include a police report, Accident Questionnaire Form or both a police report and Accident Questionnaire Form. The accident questionnaire form and police report included a detailed description of the accident, details on the vehicles and drivers involved and the names of witnesses, if any. This available information would have aided the Company in conducting a reasonable investigation.	10
The Company denied settlement to a claimant, for reasons other than the insured's lack of cooperation, despite evidence in the Company's claim file that a settlement would be appropriate. The contrary evidence in the Company's claim file included either (i) a police report that included a detailed description of the accident, details on the vehicles and drivers involved and the names of witnesses, if any, or (ii) extensive proof of loss documentation requested by the Company to substantiate the claim.	3
The Company refused payment of agreed upon storage fees to the claimant until the claimant also agreed to settle the medical portion of his claim.	1

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company is conducting a reasonable investigation based upon all available information before denying a claim.

Specifically, the Company should reassess its practice of denying claims of claimants solely on the basis that the insured has not submitted the Company's Report of Accident Form when other evidence is available to evaluate the merits of claimants' claims. The Report of Accident Form was created by the Company to gather accident information from the insured, claimant or both. This form includes space to provide contact information, details of the accident including time, place, and an area to draw a diagram of the accident scene. This same information may also exist in other claim file contents such as a police report that may be more objective than what an insured or claimant would provide. The Company should reevaluate each Indiana claim it denied solely on the basis that its insured did not submit the Report of Accident Form. Upon completion of its reevaluation of Indiana claims, the Company should promptly make full restitution to

each Indiana claimant the Company determined was improperly denied based upon all available information.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "Previously, the Company required the completion of a Report of Accident as a prerequisite to the adjustment of claims, and weighed the Report of Accident in a manner so as to give it priority over other sources of information. The Company has since removed this requirement, re-trained its adjusters to utilize all available information irrespective of the completion of company forms, and gives weight to all available sources of information in order to ensure proper, fair handling of every matter on its individual merits. Further, as a remedial measure, the company is re-evaluating claims which were denied on this basis." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-4.5(6)

Indiana Code § 27-4-1-4.5(6) provides, in part:

> Sec. 4.5. The following are unfair claim settlement practices:
>
> (6) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.

The following number of files contained evidence of failure to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	17	71%
Claim Files Sample One	23	32%
Claim Files Sample Two	33	55%
Subtotal	73	
Duplicate Exceptions	(3)	
Total Exceptions	70	

Of the seventy (70) exceptions noted above:

- Thirteen (13) settlements of claims were potentially not fair;
- Thirty-one (31) were not prompt; and
- Twenty-six (26) were not prompt or fair.

The following table further describes the identified exceptions by general reason. Please note that the subset of twenty-six (26) exceptions that are neither prompt nor fair are listed in both a "not fair" category and the "not prompt" category and therefore are represented twice in the following table.

Reason	Number of Exceptions
Not Fair – Initial settlement (or eventual claim payment) appears to be notably lower than claim evidence suggests is warranted.	26
Not Fair – Required a certain Company specific form from insured (at fault party) in order to pay Claimant (harmed party). If the form was not provided by insured, claimant was denied or delayed payment despite other claim evidence.	7
Not Fair – Other/Various	6
Not Prompt – Communication Delays	57
Exceptions that are neither Prompt nor Fair	(26)
Total Exceptions	70

In addition to the prompt and fair exceptions above, certain files contained evidence that the Company may have unfairly limited claim payments. The following narrative describes how certain claim payments may have been unfairly limited.

The Company has four (4) preferred repair shops: three (3) in the Northwest Indiana area and one (1) in the Indianapolis area. These repair shops are considered "preferred" by the Company, in part, because specific hourly labor rates and other charges have been agreed to in advance between the Company and each repair shop. However, when the Examiners asked for a copy of the written contract or agreement between the Company and each preferred repair shop, the Company stated there are no such written contracts or agreements. The hourly rates charged by the Company's preferred repair shops appeared to be below the average contemporaneous hourly rates charged by

other repair shops. The hourly rates charged by the Company's preferred repair shops were, on average, 41% lower than the hourly rates of the non-preferred repair shops that were contained in sample claim and complaint files tested.

Of the total claims tested, certain files contained evidence that automobile repairs were necessary and the repairs were covered under the Company's insurance policy whether for an insured's vehicle, a claimant's vehicle or both. Using this subset the following exceptions were noted that limited claim payments to the preferred repair shop estimates:

Testing Sample	Number of Exceptions	Subset Population	Error Rate
Complaint Files	7	10	70%
Claim Files Sample One	18	22	82%
Claim Files Sample Two	28	33	85%
Subtotal	53	65	
Duplicate Exceptions	(2)	(3)	
Total Exceptions	51	62	

The sixty-two (62) files indicating repairs were covered, can be further divided as follows:

- Forty (40) insureds/claimants used preferred repair shops. There were indications in each of the forty (40) claim files that the insured/claimant did not want to use Unique's preferred repair shop, but the insureds/claimants did not want to or were unable to pay the difference between the repair shop of their choosing and Unique's preferred repair shop estimate.

- Twelve (12) insureds/claimants used the repair shop of their choosing, but only received payment for the amount of the preferred repair shop estimate, which was less than the amount of the actual repair costs incurred by the insureds/claimants.

- Six (6) insureds/claimants used the repair shop of their choosing and Unique paid the insureds/claimants the full amount of the non-preferred repair shop invoice. In these six (6) claims, Unique did not require that two (2) independent estimates be provided by the insureds/claimants. Instead, Unique accepted a single estimate from the insureds/claimants selected repair shop.

- Four (4) insureds/claimants used the repair shop of their choosing and Unique paid the insured/claimant the full amount of the invoice. In these four (4) claims, Unique accepted two (2) independent estimates provided by the insured/claimant and accepted the lower of the two estimates. The two-estimate option was not

offered to all insureds/claimants as an alternative for determining the appropriate claim amount determination in the files reviewed by the Examiners.

The Company's insurance contracts do not expressly limit claim payments for automobile repairs to the estimated cost of repairs provided by the Company's preferred repair shops; however, by limiting the claim payment to the estimates prepared by the Company's preferred repair shops, Indiana insureds and claimants are compelled to use the Company's preferred repair shops. Otherwise, the vehicle's owner would be required to pay any amount out-of-pocket in the difference in repair costs should the owner decide to have his or her vehicle repaired at a non-preferred repair shop. Further, there does not appear to be consistency in claim process or requirements – typically the preferred repair shop estimate is required, but not in all cases.

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company is attempting in good faith to effectuate prompt, fair, and equitable settlements of claims. The Company should consider implementing benchmarks, additional formal measurements, internal management reporting and controls to systematically confirm promptness.

Regarding fair and equitable settlements, the Company should reassess its practice of denying or delaying claims of a claimant solely on the basis that the insured has not submitted the Company's Report of Accident Form when other evidence is available to evaluate the merits of each claim. Further, for those Indiana claimants who were denied payment on the sole basis that the insured had not submitted the Company's Report of Accident Form, the Company should reassess whether denial of the claim should be reversed. For all Indiana claims incorrectly denied, the Company should make prompt restitution to the claimant.

It is recommended that the Company review their processes and requirements for settling claims. This review should ensure that processes and requirements (i) comply with Indiana insurance statues, regulations and rules and (ii) are consistently applied for all insureds and claimants.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "Having removed the Report of Accident requirements and reassessing the use of other sources of available information to determine liability, as well as re-training its adjusters to utilize and give weight to all available sources of information, the Company is now in position to effectuate settlements in those cases in which liability is reasonably clear. Additionally, the periodic review of adjusters and random audits of files, *supra*, will serve to ensure that the new

guidelines are being followed and remedial action taken, if any violations are found by the Company during the review/audit process. Further, in an effort to completely and fairly advise claimants of all remedies, the Company has re-trained its adjusters to more clearly delineate all remedies available relative to settlement, litigation and/or subrogation, without influence or bias as to which option to exercise.

Finally, as part of the retraining process, *supra*, the Company will advise any claimant that, although there are preferred repair facilities available, varying costs and labor rates will always be fairly considered and negotiated by the Company irrespective of the repair facility ultimately selected by the claimant."

The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-4.5(14)

Indiana Code § 27-4-1-4.5(14) provides, in part:

> Sec. 4.5. The following are unfair claim settlement practices:
>
> (14) Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

The following number of files contained evidence that the Company failed to promptly provide a reasonable explanation of the basis in the insurance policy, in relation to the facts or applicable law, for denial of a claim or offer of a compromise settlement:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	6	25%
Claim Files Sample One	8	11%
Claim Files Sample Two	9	15%
Subtotal	23	
Duplicate Exceptions	(2)	
Total Exceptions	21	

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company is promptly providing a reasonable explanation of the basis in the insurance policy or law for denial of an Indiana claim or for the offer of a compromise settlement.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "The Company, as part of its Plan, will henceforth cite and quote specific policy language, and the reason for, the denial of any claim. Further, the Company will explain in common, understandable language, the basis for any offer of compromised settlement. The claims manager will regularly examine the adjusters and randomly audit files to ensure that adjusters are in compliance with this procedure, and immediately take remedial action relative to the claim, and re-education relative to the adjuster, in any instances of non-compliance." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-4.5(15)

Indiana Code § 27-4-1-4.5(15) provides, in part:

Sec. 4.5. The following are unfair claim settlement practices:

(15) In negotiations concerning liability insurance claims, ascribing a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault on the part of that person.

The following number of files contained evidence that the Company ascribed a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	-#	-
Claim Files Sample One	8	11%
Claim Files Sample Two	8	13%
Subtotal	16	
Duplicate Exceptions	-	
Total Exceptions	16	

#-The exceptions noted were less than the 5% margin of error required for exception reporting.

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company is not ascribing a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault on the part of that person.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "The employment of seasoned auto adjusters specializing in Indiana claims, and the new practice of utilize (sp) and giving weight to all available sources of information rather than relying upon the Report of Accident, will allow the Company to more accurately assess liability and effectuate settlements in those cases in which liability is reasonably clear. Rather than using a formulaic approach based upon generalities, or factual information from a single source, adjuster's will assess all the pertinent facts on a case by case basis. Further, in cases of questionable liability, adjuster (sp) are now encouraged to roundtable fact patterns for the purpose of ascribing the proper percentage of fault when in doubt. Additionally, liability assessment and accuracy will be one of the factors focused upon by the Claims Manager when conducting random audits of files and adjusters." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1-5.6(b)

Indiana Code § 27-4-1-5.6(b) provides, in part:

(b) An insurer who receives a written notice of complaint under subsection (a) shall promptly conduct an investigation of the matters alleged in the complaint. Within twenty (20) business days from the date of receipt of the complaint, the insurer shall provide to the commissioner and the complaining party a written report containing the following information:

(1) The specific reasons for actions taken by the insurer with respect to the claim.
(2) The specific reasons for any inaction by the insurer with respect to the claim.
(3) If the claim has not been settled, a good faith estimate of the time required for settlement.

The following findings were noted regarding the complaint files reviewed by the Examiners:

- Five (5) complaint responses were untimely submitted by the Company to the Indiana Department of Insurance, resulting in an error rate of 21%;

- Twenty-two (22) complaint responses did not include evidence that the Company responded in duplicate as requested by the Indiana Department of Insurance, resulting in an error rate of 92%;

- Four (4) complaint responses did not address the specific reasons for the Company's inaction with respect to the claim. Of the twenty-four (24) complaint files reviewed, thirteen (13) files appeared to require specific reasons for inaction. In other words, for these thirteen (13) files, the complainant specifically objected to either the Company's lack of progress or lack of communication regarding their claim. This resulted in an error rate of 31%; and

- Of the twenty-four (24) complaint files reviewed, eight (8) files appeared to require a good faith time estimate of the time required for settlement. Of those eight (8) complaint responses, none of the Company responses specified a good faith time estimate of the time required for settlement. In other words, for these eight (8) complaints, the Company's response to the complaint included additional future actions to resolve the matter. However, for each of those eight (8) responses, there was no good faith time estimate of the time required for settlement. This resulted in an error rate of 100%.

Accordingly, there were a total of thirty-nine (39) potential violations of Indiana Code § 27-4-1-5.6(b).

Recommendation:
It is recommended that the Company comply with its newly implemented written complaint procedures and consider implementing additional internal reporting and review controls to ensure compliance is maintained.

Company Response:
The Company responded to this finding of potential violations and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "The Company, in its Plan, has developed new, written procedures to avoid the repeat of such offenses. The Company will also require the Claims Manager to, as part of the internal monitoring and audit process, regularly provide a report as to the effectiveness of the implemented procedures, and note any instances in which they have not been followed, in order to ensure compliance."

The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Indiana Code § 27-4-1.5-8

Indiana Code § 27-4-1.5-8 provides, in part:

(a) An insurer that is obligated to pay at least part of the cost of repairing the exterior of a motor vehicle under an insurance policy issued by the insurer may not direct a body shop to repair the motor vehicle until the insurer has presented the insured with a written notice that meets the requirements set forth in subsections (b) and (c).

(b) An insurer described in subsection (a) shall present the insured with a written notice that does the following:
   (1) Informs the insured that the insured has a right to approve the type of body parts to be used in the repair of the motor vehicle.
   (2) Gives the insured an opportunity, in approving the type of body parts to be used in the repair of the motor vehicle, to select from among the following:
      (A) New body parts manufactured by or for the manufacturer of the motor vehicle.
      (B) New body parts that were not manufactured by or for the manufacturer of the motor vehicle.
      (C) Used body parts.

(c) An insurer described in subsection (a) shall give the insured an opportunity to indicate in writing the type of body part that the insured approves for use in the repair of the motor vehicle.

(d) This section applies only in the five (5) years after the model year of the motor vehicle.

The following number of files did not contain evidence that the Company presented the insured with a written notice that satisfied the requirements of Indiana Code § 27-4-1.5-8 regarding choice of body parts for automobile repair:

Testing Sample	Number of Exceptions	Error Rate
Complaint Files	3	13%
Claim Files Sample One	-#	-
Claim Files Sample Two	10	17%
Subtotal	13	
Duplicate Exceptions	-	
Total Exceptions	13	

Recommendation:
It is recommended that the Company ensure proper written notice is given to an insured to comply with Indiana Code § 27-4-1.5-8. Additionally, it is recommended that the Company ensure that the insured has an opportunity to indicate in writing the type of body part that the insured approves for use in the repair of his or her motor vehicle. In accordance with the statute, these recommendations apply only to vehicles within five (5) years after the model year of the motor vehicle.

Company Response:
The Examiners submitted a Concern form to the Company identifying and communicating the Examiners' preliminary findings of potential violations of Indiana Code § 27-4-1.5-8. The Company responded to the Examiners' Concern form in a document dated April 24, 2014; however, the response failed to address the potential violations for the Period covered by the Examination. The Company stated in part, "We are aware of this Indiana code in respect to this Concern. We have always verbally offered new parts on the vehicles 5 years or younger to insured's but they have the option to use aftermarket parts if disclosed to the Company in writing. However we have instituted new procedures regarding insured's vehicles that are 5 years old or newer in which case we send out a "new part letter" to insured advising them about this statute and their option."

Indiana Insurance Bulletin 82 Automobile Insurance-Sales Tax

Indiana Insurance Bulletin 82 regarding compensating a claimant for a totaled vehicle provides, in part:

The exceptions noted were less than the 5% margin of error required for exception reporting.

Because payment for the sales tax is necessary for the claimant to be made whole for the loss, payment for the sales tax must be made when the claimant is paid for the loss.

Insurance companies writing automobile insurance in the state of Indiana are therefore directed to pay for sales tax in addition to the amount for the totaled (sp) vehicle at the time of compensating the claimant for the loss of the vehicle. The sales tax shall be computed on the amount paid by the company for the totaled (sp) vehicle.

The following number of files contained evidence that the Company failed to pay or offer to pay sales tax on totaled vehicles:

Testing Sample	Number of Exceptions	Subset Population	Error Rate
Complaint Files	7	7	100%
Claim Files Sample One	21	21	100%
Claim Files Sample Two	16	19	84%
Subtotal	44		
Duplicate Exceptions	(4)		
Total Exceptions	40		

Recommendation:
It is recommended that the Company ensure that settlements and settlement offers to Indiana insureds and Indiana claimants include Indiana sales tax. Further, for all Indiana insureds and Indiana claimants who were not paid Indiana sales tax at the time of a total loss settlement, the Company should make prompt restitution to those insureds and claimants.

Company Response:
The Examiners submitted a Concern form to the Company identifying and communicating the Examiners' preliminary findings in which the Company failed to follow specific written interpretation provided by the Indiana Department of Insurance in Bulletin 82. The Company responded to the Examiners' Concern form in a document dated April 24, 2014; however, the response failed to address the potential instances for the Period covered by the Examination. The Company stated in part, "We are agreeing that we were handling this incorrectly and we have now corrected our procedures in line with bulletin 82." The Examiners were unable to verify this action was taken because corroborating document was not provided.

FINDINGS

Standard 2 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Complaint Handling

Standard 2 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Complaint Handling advises that, "The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders."

When requested by the Examiners, the Company was unable to provide written complaint handling procedures. The absence of written complaint handling procedures may result in the Company being unable to communicate its complaint handing procedures effectively or consistently to its policyholders.

In consultation with the Indiana Department of Insurance, the Examiners submitted a Concern to the Company regarding the above finding. In response, the Company acknowledged that the Examiners were not given a written listing of procedures and the Company produced with its response an undated single page document that recited similar language to that found in Indiana's Code Section 27-4-1-5.6(b). The Company also indicated that this one-page document would be the Company's written complaint-handling procedures going forward.

Recommendation:
It is recommended that the Company comply with its newly implemented written complaint procedures and consider implementing additional internal reporting and review controls, beyond just the Indiana Code language, to ensure compliance is consistently and effectively maintained. For example, the Company should consider formally defining, in writing, the responsible internal personnel for each complaint step, internal review procedures of drafted responses, and periodic management reporting of complaints received, pending and resolved.

Company Response:
The Company responded to this finding and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the finding for the Period covered by the Examination. The Company stated in part, "Previously, the Company did not provide adequate, written procedures to its adjusters for claims handling. In accordance with the prior recommendation of the Department, the Company has drafted and implemented newly written complaint procedures, *Infra*, and added safeguards to ensure that the procedures are followed without deviation. Further, the Company implemented the prior suggestion of the Examiners and has now included internal reviews and random audits to ensure compliance with Indiana law and the Examiner's recommendations, *infra*." The

Examiners were unable to verify this action was taken because corroborating documents were not provided.

Standard 5 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims

Standard 5 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "Claim files are adequately documented."

The following number of files was missing documentation that should have been in the files according to the Company's claim process:

Testing Sample	Number of Findings	Error Rate
Complaint Files	11	46%
Claim Files Sample One	42	59%
Claim Files Sample Two	26	43%
Subtotal	79	
Duplicate Findings	(3)	
Total Findings	76	

Of these seventy-six (76) claim files missing forms, the following findings were noted:

Missing Form	Complaint Files	Claim Files Sample One	Claim Files Sample Two	Subtotal	Duplicate Findings	Total Findings
Accident Questionnaire	5	33	16	54	(1)	53
Power of Attorney	2	4	2	8	-	8
Basic Claim Information Form	7	14	13	34	(2)	32
Reconciliation for Claim Files Missing Multiple Forms	(3)	(9)	(5)	(17)	-	(17)
Total Number of Claim Files with Findings	11	42	26	79	(3)	76

The forms were specifically required for that particular claim by the Company, according to its own records. In the cases noted by the Examiners, the claim file either did not have the required document or the required document was included but not in its entirety (i.e., missing pages or required signatures).

The Examiners submitted a Concern form to the Company identifying the Examiners' preliminary findings of missing file documentation, including accident questionnaire forms and power of attorney forms. The Company, as a part of its response to the Concern, produced seven (7) completed claim forms that were not in the original claim files provided to the Examiners.

The Examiners' preliminary findings indicated further testing on the Company's total loss claims valuation process was warranted. The Examiners' requested additional information regarding the Company's total loss claims valuation process. On April 14, 2014, as part of its written response, the Company stated, "We control the accuracy of the information to CCC One Valuation system, by completing the basic claim information form whether not done by in house or independent appraisers." The Examiners submitted a follow up request for the basic claim information forms, not previously provided, for all total loss claims included in Examiners' testing. The Company did not provide the requested basic claim information forms. As a result, the Examiners were not able to complete the additional testing of the Company's total loss claim valuation process.

Additionally, the following number of files lacked evidence of claim payment review and approval:

Testing Sample	Number of Findings	Error Rate
Complaint Files	17	71%
Claim Files Sample One	33	46%
Claim Files Sample Two	40	67%
Subtotal	90	
Duplicate Findings	(4)	
Total Findings	86	

It should be further noted that other claim files in the sample did contain written Manager approval in the form of a signature.

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company's claim files are adequately and securely maintained including the entirety of all pages of required forms and that all required approval signatures are attained.

Company Response:
The Company responded to this finding and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the finding for the Period covered by the Examination. The Company stated in part, "The Indianapolis claims office was designed to be paperless, and with failsafe measures, to ensure all documentation is adequately and securely maintained. All pages, materials and forms will be electronically stored and cataloged, and prompting procedures have been included to verify that all necessary signatures are present, and that the controls are followed. Further, the Company has authorized alternative signors in the case of emergency, absence, illness etc. in order to prevent any delay in the reasonably prompt handling of claims matters." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Standard 7 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims

Standard 7 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "Regulated entity claim forms are appropriate for the type of product."

The following number of files contained evidence that the Company failed to accurately disclose the correct Department of Insurance and its contact information to its policyholders and claimants:

Testing Sample	Number of Findings	Error Rate
Complaint Files	6	25%
Claim Files Sample One	7	10%
Claim Files Sample Two	7	12%
Subtotal	20	
Duplicate Findings	(2)	
Total Findings	18	

Accordingly, there are a total of eighteen (18) findings where the corresponding claim files contained misleading and inaccurate correspondence that wrongly directed the Indiana policyholder or Indiana claimant to the Illinois Department of Insurance instead of the Indiana Department of Insurance.

Recommendation:
It is recommended that the Company ensure adequate controls and procedures are in place to confirm that the Company's correspondence is accurate and not misleading and

references the appropriate regulatory authority for Indiana policyholder and claim communications.

Company Response:
The Company responded to this finding and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the finding for the Period covered by the Examination. The Company stated in part, "Previously, Indiana claims were adjusted from an Illinois claims center, where adjusters from both Illinois and Indiana worked, and where forms and materials from Illinois and Indiana were warehoused. The Indianapolis claims office handles exclusively Indiana claims, uses proper forms designed specifically for Indiana policies and consumers, and no longer comingles claims, forms or adjusters in order to ensure that there is no inaccurate or misleading information or references." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

Standards 1, 2, 3, 4, and 5 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims and Standard 11 of the NAIC Market Regulation Handbook, Operations/Management

Standard 11 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Operations/Management advises that, "The regulated entity has developed and implemented written policies, standards and procedures for the management of insurance information."

Standard 1 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "The initial contact by the regulated entity with the claimant is within the required time frame."

Standard 2 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "Timely investigations are conducted."

Standard 3 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "Claims are resolved in a timely manner."

Standard 4 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "The regulated entity responds to claims correspondence in a timely manner."

Standard 5 of the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims advises that, "Claim files are adequately documented."

When requested by the Examiners, the Company was unable to provide written claims and investigation procedures and therefore may be unable to:

- Determine the reliability of insurance information management;
- Determine the timeliness of initial contact with claimants;
- Determine the timeliness of investigations conducted;
- Determine the timeliness of claims resolution; and
- Determine the adequacy of claims documentation, among other determinations and internal controls.

On October 29, 2012, the Examiners requested copies of all Company policies, procedures, detail narratives, internal control listings, Sarbanes-Oxley or similar documentation and training materials used at any time during the examination period for the claims and investigation process. Follow up requests for the same information were made by the Examiners on January 4, 2013 and January 14, 2013.

On January 25, 2013 via email, the Company provided the following response – "We are not a publically trade company and not require [sic] to have this report."

On March 20, 2013, the Examiners wrote to the Company requesting an additional clarification. The Examiners stated, "The Examiners recognize that the Company is not publicly traded and that the Company is not required to follow Sarbanes-Oxley requirements. However, does the Company have any policies, procedures, detail narratives, internal control listings or similar documentation and training materials that were used at any time during the examination period for the claims and investigation process? If so, please provide a complete copy of all versions used during the examination period. If not, please state so in writing."

The Company responded on April 19, 2013 by stating, "We do not have any written procedures, policies in regards to training of claims and the investigation process."

In consultation with the Indiana Department of Insurance, the Examiners submitted a Concern to the Company regarding the above finding. In response, the Company disagreed with the finding and submitted a copy of Section 919 of the Illinois Insurance Code as it relates to claims handling. The Company stated that the Company used the Illinois Insurance Code as the written guidelines for the Company's claims and investigation procedures. The Illinois Insurance Code and the Indiana Insurance Code are not identical. Further, the Illinois Insurance Code does not set forth the Company's written policies, procedures, detailed narratives, internal control listings or similar documentation and training materials. Rather, the Illinois Code sets forth Illinois guidelines, not Indiana guidelines.

Recommendation:
It is recommended that the Company develop adequate controls and written procedures to confirm that the Company's compliance with claim and investigation requirements of Indiana and any other jurisdiction in which it sells insurance policies.

Company Response:
The Company responded to this finding and the recommendations in a letter dated November 14, 2013 to the Indiana Department of Insurance; however, the response failed to address the finding for the Period covered by the Examination. The Company stated in part, "As noted, *supra*, the Company was erroneously using Illinois code as and practices as a guideline, failed to have a written manual with benchmarks, and failed to self-audit in order to ensure proper claims handling. The Company has created a separate Indianapolis office, with experienced Indiana auto adjusters, segregated from non-Indiana claims, that is required to review and audit files, train and re-educate adjusters as appropriate, and take remedial measures without waiting to be advised by the Department of such necessity. Policies, guidelines, benchmarks and expectations are now in written form for easy reference, and to ensure uniform compliance. Referenced to Illinois Code will no longer be utilized or referenced in any Indiana claim due to the Company's goal of strict compliance with the nuances of Indiana law and policy." The Examiners were unable to verify this action was taken because corroborating documents were not provided.

CONCLUSION

The Examination resulted in a total of 336 potential violations and instances in which the Company may not have been fully compliant with Indiana insurance statutes, regulations or rules or failed to follow specific written interpretation provided by the Indiana Department of Insurance in Bulletin 82.

The potential violations occurred in two (2) general areas tested by the Examiners – Complaint Handling and Claims.

The 336 potential violations can also be broken down into four (4) general sections as follows:

- Two hundred forty-four (244) potential violations of Indiana Code § 27-4-1-4.5, *Enumeration of unfair claim settlement practices;*
- Thirty-nine (39) potential violations of Indiana Code § 27-4-1-5.6(b), *Unfair claim settlement practice complaint; response; investigation; report; notice of remedies;*
- Thirteen (13) potential violations of Indiana Code § 27-4-1.5-8, *Auto Repair Claims Settlement*, and
- Forty (40) potential instances of failing to follow specific written interpretation provided in Indiana Insurance Bulletin 82, *Automobile Insurance-Sales Tax.*

The common themes of the potential violations were promptness of communications, thoroughness of documentation and fairness of claims.

Additionally, the Examiners noted four (4) areas of findings where the Company's practices deviated from the Market Regulation Handbook standards summarized as follows:

- Lack of complaint handling procedures;
- Lack of claim file documentation;
- Referenced incorrect State Insurance Department; and
- Lack of claims and investigation procedures.

VERIFICATION UNDER OATH STATEMENT

AFFIDAVIT

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Michael P. Kilkenny, being duly sworn upon his oath, deposes and says:

Ingardus, LLC is an examiner firm appointed by the Commissioner of the Indiana Department of Insurance;

A target market conduct examination was made of Unique Insurance Company - level of compliance with certain applicable insurance laws, rules and regulations of the State of Indiana for the period of July 1, 2010 through August 31, 2012;

These 39 pages constitute the verified written report to the Commissioner of the Indiana Department of Insurance; and

The statements, exhibits and data herein contained are true and correct to the best of their knowledge and belief.

Michael P. Kilkenny

Examiner In Charge

State of Indiana)
) SS:
County of Marion)

Before me, a Notary Public in and for said County and State, personally appeared Michael P. Kilkenny, and acknowledged the execution of the foregoing "Affidavit" as his voluntary act and deed.

WITNESS my hand and Notarial Seal this 6th day of November, 2014.

Rita A. Wilkins

Notary Public

(Printed Signature)

Rita A. Wilkins
Johnson County
My Commission Expires
June 12, 2016

My Commission Expires:

My County of Residence:

Exhibit B

UNIQUE INSURANCE
The User Friendly Company Begins With "U"®

December 10, 2014

Debra J. McNeil
Deputy General Counsel
Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Re: Unique Market Conduct Examination Report
Warrant Number: 11563-MC12-0831-007

Dear Ms. McNeil,

Unique Insurance Company is in receipt of the Indiana Department of Insurance's November 12, 2014 letter with enclosure of the Target Market Conduct Findings Report for the exam period of July 1, 2010 through August 31, 2012 ("Exam Period").

Unique appreciates the opportunity to respond, clarify and explain several items contained in the provided Target Market Conduct Findings Report.

Also, this letter is in addition to Unique's previously provided detailed responses to the underlying Examiner's Concerns.

Indiana Code § 27-4-1-4.5(2)
Pursuant to Indiana Code § 27-4-1-4.5(2), unfair claim settlement practices include in part, "Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner detailed explanations for delays that occurred during its claims investigations. Unique maintains that it took prompt action upon communications with respect to claims. In summary, Unique Insurance Company acknowledges and acts reasonably promptly upon communications with respect to claims arising under insurance policies. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(2) during the Exam Period.

Indiana Code § 27-4-1-4.5(3)
Pursuant to Indiana Code § 27-4-1-4.5(3), unfair claim settlement practices include in part, "Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner with detailed notes and explanations for Unique's requests and measures taken to obtain applicable subject police reports. As provided in detail, any delays in obtaining the police report were claim (fact) specific based on uncooperative insured(s) or claimants or the unavailability of

Claims
Tel. (773) 299-7500
Fax (773) 299-7505

4245 N KNOX, CHICAGO IL 60641

Underwriting
Tel. (773) 299-7500
Fax (733) 299-7501

the same from the subject police department. Moreover and in addition to the reviewed claim files, Unique provided the Examiner with detailed notes, summaries and explanations of the reviewed and subject claim files. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(3) during the Exam Period.

Indiana Code § 27-4-1-4.5(4)

Pursuant to Indiana Code § 27-4-1-4.5(4), unfair claim settlement practices include in part, "Refusing to pay claims without conducting a reasonable investigation based upon all available information." Additionally, as stated in the NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims, "...a. Time Studies to measure acknowledgment, investigation and settlement times...Delays beyond the control of the regulated entity should be excluded: e.g., a delay caused by an uncooperative insured." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner with explanations of the investigations performed. Moreover, Unique previously supplied the Examiner with extensive documentation for the respective subject claim and complaint files.

Unique disputes the assertions that it refuses to pay claims without conducting a reasonable investigation. Unique conducts reasonable investigations based upon all available information on its claim files to determine claim payments to be made. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(4) during the Exam Period.

Indiana Code § 27-4-1-4.5(6)

Pursuant to Indiana Code § 27-4-1-4.5(6), unfair claim settlement practices include in part, "Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner with explanations for its settlement procedures illustrating its diligent efforts to settle claims promptly, fairly and equitably. In summary, Unique maintains that its attempts in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.

Unique disputes the assertion that insureds and claimants are compelled to use preferred repair shops. The shops Unique recommends are those that provide quality work and quality service. These shops also make Unique insureds and claimants a priority so they have their repaired vehicles returned to them as soon as possible. The shops may quote the repair costs at a lower rate than other shops as a method of competing in the market.

In summary, Unique Insurance Company recommends repair shops that provide high quality work based on Unique's prior experience with the repair facility. The repair facility provides a good work product at quick pace of work to satisfy our insureds and claimants. Although Unique provides recommendations to insureds and claimants, they are free to have their vehicles repaired at repair shops of their choosing. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(6) during the Exam Period.

Indiana Code § 27-4-1-4.5(14)

Pursuant to Indiana Code § 27-4-1-4.5(14), unfair claim settlement practices include in part, "Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement." Respectfully, Unique disagrees with the Examiner's findings and conclusions. Unique provided respective claimants with explanations for Unique's conclusions either through written or verbal communication. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(14) during the Exam Period.

Indiana Code § 27-4-1-4.5(15)

Pursuant to Indiana Code § 27-4-1-4.5(15), unfair claim settlement practices include in part, "In negotiations concerning liability insurance claims, ascribing a percentage of fault to a person seeking to recover from an insured party, in spite of an obvious absence of fault on the part of that person." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner with detailed explanations for the comparative (or complete) fault assessments. In summary, Unique only assesses (comparative or complete) fault to a person seeking to recover from an insured party if there is evidence of such fault. Therefore, Unique did not violate Indiana Code Section 27-4-1-4.5(15) during the Exam Period.

Indiana Code § 27-4-1-5.6(b)

As stated in Unique's response (Unique agreed it may have violated the subject Indiana Code Section 27-4-1.5.6(b)) to the applicable Concern 1,

> "In response to Concern #1 stating that the Company may have violated Indiana Code Section 27-4-1-5.6(b) for failure to properly respond to complaints, we have attached our complaint handling procedures which we follow when handling Indiana complaints. We agree with the Examiner's remarks regarding Concern #1 and have addressed the issues presented. Our documentation methods are now based on Indiana Code Section 27-4-1-5.6(b). Regarding your specific findings, going forward the Company will timely file complaint responses to the Indiana Department of Insurance, will respond in duplicate for purposes of providing the Company's response to the complainant, will address specific reasons for the Company's inactions, and will specify a good faith estimate of the time required for settlement.
>
> These written procedures greatly assist the Company claims personnel in responding properly to complaints. We will be in compliance with Indiana Code Section 27-4-1-5.6(b) going forward."

Indiana Code § 27-4-1-5.8 (Auto Repair Claims Settlement)

As stated in Unique's response (Unique agreed it may have violated the subject Indiana Code Section 27-4-1.5.8) to the applicable Concern 25,

> "This response is to Concern no. 25 regarding Indiana Code 27-4-1.5-8 concerning failure to provide notice to insured of choice of parts for auto repair.
>
> We are aware of this Indiana code in respect to this Concern. We have always verbally offered new parts on the vehicles 5 years or younger to insured's but they have the option to use aftermarket parts if disclosed to the Company in writing. However we have instituted new procedures regarding insured's vehicles that are 5 years old or newer in

which case we send out a 'new part lette'r [sic] to insured advising them about this statute and their option...."

Indiana Insurance Bulletin 82 (Automobile Insurance Sales Tax)

As stated in Unique's response (Unique agreed it may have violated the subject Indiana Insurance Bulletin 82) to the applicable Concern 22,

> "Regarding Indiana Department of Insurance Concern #20, Bulletin 82. The concern is regarding compensating a claimant for totaled vehicles automobile insurance sales tax. We are agreeing that we were handling this incorrectly and we have now corrected our procedures in line with bulletin 82. At this time all the claimant's automobile insurance sales tax is paid in the timely fashion at time of the settlement. We are now in compliance with Bulletin 82."

Lack of Complaint Handling Procedures (Standard 2 of NAIC Market Regulation Handbook)

The NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Complaint Handling, Standard 2 states "The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner with a list of procedures for which it follows when handling Indiana complaints. Unique followed the complaint handling procedures outlined in Indiana Code Section 27-4-1-5.6(b) and referenced in Standard 2 of the NAIC Market Regulation Handbook, Chapter 16. Although the Examiner was not given a written listing of procedures, these procedures have been followed by the Company and communicated to the policyholders. Unique provided the Examiner with an internal guide to complaint handling documents. Unique acknowledges a written list of procedures can improve effective communication but asserts that it does effectively execute complaint handling and communicated the same to its policyholders. Therefore, Unique did not violate Standard 2 of NAIC Market Regulation Handbook during the Exam Period.

Lack of Claim File Documentation (Standard 5 of NAIC Market Regulation Handbook)

The NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Claims, Standard 5 states "Claim files are adequately documented." Respectfully, Unique disagrees with the Examiner's findings and conclusions. During the course of the subject examination, Unique provided the Examiner documentation illustrating its appropriate internal controls.

As explained in detail (and with supplied applicable documentation) to the Examiner, Unique does not require signed accident report or power of attorney to resolve a claim when it can resolve a claim issue through written, electronic or verbal communication. As explained to the Examiner, if there is a claim where a better (more clear) understanding of the facts is necessary, signed forms (accident report or power of attorney) were required.

Moreover, as explained to the Examiner in detail, claim files contain review and approval procedures. Claim files are assigned to adjusters who maintain the files. Unique requires two signatures on claim checks (other than police report checks wherein one signature is required. Unique requires two signatures from managers from different departments to safeguard against internal or external fraud. Accordingly, before the claim settlement check is signed, it is

reviewed by the Vice President of Claims. The Vice President's signature on the check indicates and confirms the Vice President's review of the file. The file is then presented to the President of the Company, Matthew Dutkanych, whose signature also indicates that he reviewed the file. If either party is unavailable the Claims Manager will review the file and sign the check.

Regarding the Examiner's reference to the additional information sought for total loss claims, the complete response to the Examiners' inquiry was as follows: "We control the accuracy of the information to CCC One Valuation system, by completing the basic claim information form whether not done by in house or independent appraisers. We also send out a letter in our total loss package requesting them to give Unique the options. We also receive from CCC One Valuation system the history of the vehicle which includes mileage and if this vehicle has been totaled before. We also have our in house or independent appraisers take pictures of the vehicle for the condition, unrelated damages and pictures of the odometer if possible to confirm mileage. (See attached form and letter)."

In summary, Unique Insurance Company has standard industry internal controls in place. Unique disagrees with the contention that it is violating standard industry internal control requirements.

Therefore, Unique did not violate Standard 5 of NAIC Market Regulation Handbook during the Exam Period.

Lack of claims and investigation procedures (Standard 11 of NAIC Market Regulation Handbook)

The NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Operations/Management, Standard 11 states "The regulated entity has developed and implemented written policies, standards and procedures for the management of insurance information." Respectfully, Unique disagrees with the Examiner's findings and conclusions.

Where Indiana regulations and laws are silent or undefined, Unique maintained specific claim handling (time) parameters and adhered to the same. As Indiana rules and regulations do not define "reasonable" or "prompt" time parameters, Unique adhered to time parameters as follows:

1) Calculated from the first notification of loss to the date of final payment or returning the repaired automobile to its insured, Unique strived to resolve collision and comprehensive claims within 40 days. If the collision or comprehensive claim was not resolved within 40 days, Unique provided its insured with a written explanation for the delay. Additionally, if Unique denied or settled the collision or comprehensive claim for an amount less than the amount claimed, Unique provided its insured with a written explanation for the denial or reduction.

2) Calculated from the first notification of loss to the date of final payment or returning the repaired automobile to the third party claimant, Unique strived to resolve property damage liability claims within 60 days. If the property damage liability claim was not resolved within 60 days, Unique provided the third party claimant with a written explanation for the delay.

Moreover, within seven days of Unique's determination that its insured's vehicle was a total loss, Unique provided its insureds with a written explanation of the total loss handling procedures outlining rights and obligations. Additionally, said written explanation informed Unique's insureds of the vehicle options that were considered in Unique's valuation assessment.

Therefore, Unique did not violate NAIC Market Regulation Handbook, Chapter 16 General Examination Standards, Operations/Management, Standard 11 during the Exam Period.

Standard 7 of NAIC (Reference to an inapplicable Department of Insurance)
As stated in Unique's response to the applicable Concern 24,

> "This Concern is regarding Standard 7 of the NAIC Market Regulation Handbook, Chapter 16.
> As it was previously address in the Concern # 7,
> As in response to the Concern #7 and now to this Concern #20 that states that six (6) claim files contained correspondence provided by the Company to the Indiana policyholder or Indiana claimant which reference the Illinois Department of Insurance rather than the Indiana Department of Insurance, we realize we made these errors and have made adjustments to our procedures so that do not occur in the future.
> We have isolated all Indiana forms from Illinois forms to avoid the issuance of forms of state other than of an Indiana policyholder or Indiana claimant. Our forms provided to a claimant that are required as a condition of payment of a claim contain a statement referring to a felony for statements of a claim containing false, incomplete, or misleading information...In summary, Unique Insurance Company recognizes that it made errors by showing references to the Illinois Department of insurance rather than the Indiana Department of Insurance and has adjusted its procedures to avoid future errors. We are now in compliance."

2013 Draft Market Conduct Report
Pursuant to Indiana Code § 27-1-3.1-10 (b): "No more than sixty (60) days after the completion of the examination, the examiner in charge shall file with the department a verified written report of examination under oath. Upon receipt of the verified report, the department shall transmit the report to the company examined, together with a notice that affords such company examined a reasonable opportunity of not more than thirty (30) days to make a written submission or rebuttal with respect to any matters contained in the examination report." By letter dated October 30, 2013, the Indiana Department of Insurance provided Unique with a Draft unverified Market Conduct Report ("Draft Report") dated October 29, 2013. The Draft Report is 28 pages in length compromised of the Examiner's reported data, "158 potential violations" conclusions and findings. In said letter, the Indiana Department of Insurance acknowledged the above stated statute but arbitrarily provided a deadline of November 14, 2013 for Unique to respond to the same.

The Draft Report contained a claim file sample size of 71. By letter dated November 14, 2013, Unique provided a detailed response to the Draft Report with corrective and curative Company actions. After submitting its response to the Draft Report, Unique received additional Concerns from the Examiner and responded to the Concerns. The subject verified Market Conduct Report

contained a claim file sample size of 131. Unique's November 14, 2013 response to the Draft Report was based on a different (smaller) sample size, directed to the Indiana Department of Insurance as proactive and corrective measures (and not responded to by the Department of Insurance). Therefore, Unique requests the Department of Insurance strike the Examiner's evaluation, characterizations and conclusions regarding Unique's November 14, 2013 response as misleading, inapplicable and unduly prejudicial to Unique.

To date, the Indiana Department of Insurance has neither replied nor acknowledged Unique's response to the Draft Report.

2013/2014 Company Actions

Attached please find a copy of Unique's letter dated November 14, 2013 outlining Unique's actions taken to improve and/or correct its claims operations, management and complaint handling.

Subsequent to its November 14, 2013 letter, Unique has proposed many additional enhancements and corrective measures to the Indiana Department of Insurance.

Comments / Characterizations by the Examiner

Pursuant to Indiana Code § 27-1-3.1-10 (a): "All Examination reports shall be compromised of only: (1) facts: (A) appearing upon the books, records, or other documents of the company; and (B) ascertained from the agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning the affairs of the company; and (2) conclusions and recommendations that the examiners find reasonably warranted from those facts." The Examiner characterized Unique's personal automobile insurance policies as "substandard" as he defined the scope of the Examination (see Page 4 of the verified Market Conduct Report). Unique specializes in offering insurance to consumers who have difficulty obtaining coverage in the established markets due to unfortunate circumstances (i.e. age requirements, previous loss experience, coverage history, etc.). Moreover, the Examiner repeatedly stated throughout the subject verified market conduct report that "The Examiners were unable to verify this action was taken because corroborating documents were not provided." The Examiner has failed to specify what "corroborating" documents were requested of and refused to provide by Unique to the Examiner. Additionally, the Examiner "...recommended the Company develop adequate controls and written procedures to confirm that the Company's compliance with claim and investigation requirements of Indiana and *any other jurisdiction in which it sells insurance policies"* (italics added for emphasis, see Page 37 of the verified Market Conduct Report). Unique requests the Department of Insurance strike the Examiner's said comments and conclusions as inflammatory, misleading, disparaging and outside the scope of the examination.

Unique appreciates the opportunity to resolve any and all outstanding disputes with the Indiana Department of Insurance.

Please contact the undersigned should you have any questions or require any additional information.

Sincerely,

Matthew Dutkanych
President and Treasurer
Unique Insurance Company

Cc: Stephen B. Cohen
Michael R. Franceschini

November 14, 2013

Attn: Michael F. Mullen
Indiana Dept of Insurance
311 W Washington St, Suite 300
Indianapolis, IN 46204
Sent via US Mail and Facsimile
Fax: 317.232.5251

In response to the October 29, 2013 Draft Market Conduct Examination Report of Unique Insurance Company (the "Draft") we have enclosed our response and attached supporting evidence that Unique Insurance Company (the "Company") has developed a Corrective Action Plan (the "Plan") to resolve any and all concerns raised by the Indiana Department of Insurance (the "Department.")

General

As part of the Plan, in April 2013 the Company opened a claims office in Indianapolis for the sole purpose of effectuating prompt, fair, equitable and competent handling of Indiana claims. The procedures within this office include specific, written controls that are internally monitored for the purpose of ensuring compliance with Indiana policy and law, and that Indiana consumers are treated professionally and fairly to a standard that exceeds those dictated by Indiana law and the Department. See *infra* for specific practices and procedural amendments.

Relative to the Indianapolis claims office, neither Illinois, nor other non-Indiana business, is to be adjusted by the office. The office is managed by Joyce Adcock, a competent manager with more than 25 years of experience adjusting Indiana auto claims, and staffed by similarly competent adjusters including Chad Watson, a veteran Indiana auto adjuster with 10 years experience.

Claims
Tel. (773) 299-7500
Fax (773) 299-7505

4245 N. Knox Chicago, IL 60641

Underwriting
Tel. (773) 299-7500
Fax (773) 299-7501

Further, as part of the Plan, the Company has set the goal of immediately reducing, and ultimately eliminating, DOI complaints. In a period of less than 3 years, the number of DOI complaints has already been reduced by 60.4% as compared to 2012, and 65.6% as compared to 2011.[1]

Remedial Action to Address Findings and Concerns

As part of its Plan, the Company wishes to address each of the Detailed Findings listed in the Draft for the purpose of ensuring that the Plan includes proper safeguards and remediation of any practices which heretofore have failed to comply with any regulation, statute or policy of the State of Indiana and the Department of Insurance.

Code 27-4-1-4.5(2) The Examiners are concerned that the Company failed to differentiate between Illinois and Indiana practice and procedures, thereby failing to insure that the Company acts "reasonably promptly" upon communications as required by Indiana.

Previously, the Company has incorporated Illinois guidelines in its claims handling without acknowledging the subtle, but important, differences between Indiana and Illinois insurance law and policy.[2] In order to ensure that there are no future concerns, and eliminate any accidental comingling of out-of-state claims, files or law, the Company has invested in an Indianapolis claims office, *supra*, and hired an experienced claims manager and adjusters who only process Indiana auto claims. Added to the existing duties of the manager are bi-

[1] Explanation and sources: In 2011, the Company's written premium totaled $2,985,579; 18 complaints were made to the DOI during that period, representing a Complaint to Premium ratio of 1 Complaint for every $165,865 written. In 2012, the Company's written premium increased to $3,438,775; 18 complaints were again made to the DOI during that period, representing a Complaint to Premium ratio of 1 Complaint for every $191,043 written. In 2013, the Company's written premium total $4,827,907, year to date; 10 complaints have been made to the DOI during that period, evidencing a Complaint to Premium ratio of 1 Complaint for every $482,790 written.

The aforementioned ratios illustrate that, since implementation of the Plan, the number of DOI complaints in 2013 has been reduced by 60.4 % as compared to 2012, and 65.6 % as compared to 2011.

[2] For example, 14 calendar days is the Indiana benchmark for reasonably prompt response. Unique has previously used 20 days as a benchmark, but has since further revised its response time to 14 days.

annual reviews of adjuster performance, a monthly, random selection of claims for audit and examination, and continuing education as to any changes and updates in law and policies. These practices will be enforced for the purpose of ensuring self-examination. Further, the Company proposes to take immediate, remedial action as to any matters involving pending non-compliance.

Code 27-4-1-4.5(4) The Examiners are concerned that the Company fails to ensure that a reasonable investigation is made based upon all available information.

Previously, the Company required the completion of a Report of Accident as a prerequisite to the adjustment of claims, and weighed the Report of Accident in a manner so as to give it priority over other sources of information. The Company has since removed this requirement, re-trained its adjusters to utilize all available information irrespective of the completion of company forms, and gives weight to all available sources of information in order to ensure proper, fair handling of every matter on its individual merits. Further, as a remedial measure, the company is re-evaluating claims which were denied on this basis.

Code 27-4-1-4.5(6) The Examiners are concerned that the Company fails to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.

Having removed the Report of Accident requirements and reassessing the use of other sources of available information to determine liability, as well as re-training its adjusters to utilize and give weight to all available sources of information, the Company is now in position to effectuate settlements in those cases in which liability is reasonably clear. Additionally, the periodic review of adjusters and random audits of files, *supra*, will serve to ensure that the new guidelines are being followed and remedial action taken, if any violations are found by the Company during the review/audit process.
Further, in an effort to completely and fairly advise claimants of all remedies, the Company has re-trained its adjusters to more clearly delineate all remedies available relative to

settlement, litigation and/or subrogation, without influence or bias as to which option to exercise.

Finally, as part of the retraining process, *supra*, the Company will advise any claimant that, although there are preferred repair facilities available, varying costs and labor rates will always be fairly considered and negotiated by the Company irrespective of the repair facility ultimately selected by the claimant.

Code 27-4-1-4.5(14) The Examiners are concerned that the Company fails to provide reasonable explanation of the basis within the insurance policy or law for the denial of a claim or offer of compromised settlement.

The Company, as part of its Plan, will henceforth cite and quote specific policy language, and the reason for, the denial of any claim. Further, the Company will explain in common, understandable language, the basis for any offer of compromised settlement. The claims manager will regularly examine the adjusters and randomly audit files to ensure that adjusters are in compliance with this procedure, and immediately take remedial action relative to the claim, and re-education relative to the adjuster, in any instances of non-compliance.

Code 27-4-1-4.5(15) The Examiners are concerned that the Company ascribes fault to a person seeking to recover despite an obvious absence of fault by that person.

The employment of seasoned auto adjusters specializing in Indiana claims, and the new practice of utilize and giving weight to all available sources of information rather than relying upon the Report of Accident, will allow the Company to more accurately assess liability and effectuate settlements in those cases in which liability is reasonably clear. Rather than using a formulaic approach based upon generalities, or factual information from a single source, adjuster's will assess all the pertinent facts on a case by case basis. Further, in cases of questionable liability, adjuster are now encouraged to roundtable fact patterns for the purpose of ascribing the proper percentage of fault when in doubt.

Additionally, liability assessment and accuracy will be one of the factors focused upon by the Claims Manager when conducting random audits of files and adjusters.

Code 27-4-1-5.6(b) The Examiners are concerned that the Company fails to timely, and with specificity, provide to the commissioner and complaining party specific reasons for inaction, and a good faith estimate of the time required for settlement.

The Company, in its Plan, has developed new, written procedures to avoid the repeat of such offenses. The Company will also require the Claims Manager to, as part of the internal monitoring and audit process, regularly provide a report as to the effectiveness of the implemented procedures, and note any instances in which they have not been followed, in order to ensure compliance.

Std 2, NAIC Market Regulation Handbook, Ch16, Gen. Examination Standards, Complaint Handling. The Examiners are concerned that the Company did not have written procedures to ensure effective communication with complaints, claimants, policy holders and Indiana consumers at large.

Previously, the Company did not provide adequate, written procedures to its adjusters for claims handling. In accordance with the prior recommendation of the Department, the Company has drafted and implemented newly written complaint procedures, *infra*, and added safeguards to ensure that the procedures are followed without deviation. Further, the Company implemented the prior suggestion of the Examiners and has now included internal reviews and random audits to ensure compliance with Indiana law and the Examiner's recommendations, *infra*.

Std 5, NAIC Market Regulation Handbook, Ch16, Gen. Examination Standards, Claims. The Examiners are concerned that the Company had inadequately documented and secured files.

The Indianapolis claims office was designed to be paperless, and with failsafe measures, to ensure all documentation is adequately and securely maintained. All pages, materials and forms will be electronically stored and cataloged, and prompting procedures have been included to verify that all necessary signatures are present, and that the controls are followed. Further, the Company has authorized alternative signors in the case of emergency, absence, illness etc. in order to prevent any delay in the reasonably prompt handling of claims matters.

Std 7, NAIC Market Regulation Handbook, Ch16, Gen. Examination Standards, Claims. The Examiners are concerned that the Company uses claims forms appropriate for the product.

Previously, Indiana claims were adjusted from an Illinois claims center, where adjusters from both Illinois and Indiana worked, and where forms and materials from Illinois and Indiana were warehoused. The Indianapolis claims office handles exclusively Indiana claims, uses proper forms designed specifically for Indiana policies and consumers, and no longer comingles claims, forms or adjusters in order to ensure that there is no inaccurate or misleading information or references.

Std 1-5, 11, Ch16, Gen. Examination Standards, Operations/Management. The Examiners are concerned that the Company had failed to ensure that initial contact, investigation and resolution are timely, and that the Company fails to respond timely, and fails to adequately document said responses.

As noted, *supra*, the Company was erroneously using Illinois code as and practices as a guideline, failed to have a written manual with benchmarks, and failed to self-audit in order to ensure proper claims handling. The Company has created a separate Indianapolis office, with experienced Indiana auto adjusters, segregated from non-Indiana claims, that is required to review and audit files, train and re-educate adjusters as appropriate, and take remedial measures without waiting to be advised by the Department of such necessity. Policies, guidelines, benchmarks and expectations are now in written form for easy

reference, and to ensure uniform compliance. Referenced to Illinois Code will no longer be utilized or referenced in any Indiana claim due to the Company's goal of strict compliance with the nuances of Indiana law and policy.

Common Themes and Conclusion

The Company acknowledges that it has made errors relative to its Indiana claims practice, and is striving not only to enact those measures suggested by the Examiners, but to supplement those suggestions with additional safeguards and self-auditing procedures to prevent them from recurring. The Company has amended its existing procedures to be compliant, drafted written materials to ensure uniformity, reassessed those practices not condoned, and segregated its Indiana claims practice from those of other states which have different standards that do not meet the important nuances of Indiana law and policy. The Company welcomes the continued suggestions from the Examiners, and wishes to express its willingness to initiate those policies and procedures necessary to abolish any practices which are of concern, and improve those which are not.

Sincerely,

Matthew Dutkanych
President and Treasurer
Unique Insurance Company

Erika S. Cwan
Claims Vice President
Unique Insurance Company

Exhibit C

Exhibit C

Market Conduct Concerns			
Concern #	Date Concern Sent	Date Response Received	Area of Concern
1	4/26/2013	5/6/2013	Failure to properly respond to communications
2	4/26/2013	5/8/2013	Complaint handling
3	4/26/2013	5/8/2013	Complaint handling
4	4/26/2013	5/8/2013	Lack of claims investigation procedures
5	4/26/2013	5/8/2013	Inadequate claims files
6	5/17/2013	5/28/2013	Discrepancies in actual and recorded payments
7	5/17/2013	5/28/2013	Failure to disclose correct Dept of Insurance
8	5/17/2013	5/28/2013	Failure to promptly provide reasonable explanation of the basis for denying a claim
9	5/17/2013	5/28/2013	Ascribing a percentage of fault to a consumer in spite of absence of fault
10	6/17/2013	7/1/2013	Failure to acknowledge and act reasonably prompt ragarding claims
11	6/17/2013	Undated	Failure to effectuate prompt, fair and equitable settlements of claims
12	6/17/2013	7/1/2013	Failure to conduct reasonable investigations
13	7/3/2013	7/12/2013	Preferred repair shops
14	Retracted	Retracted	Retracted
15	4/17/2014	4/24/2014	Failure to acknowledge and act reasonably prompt ragarding claims
16	4/17/2014	4/24/2014	Failure to adopt reasonable standards for prompt investigations
17	4/17/2014	4/24/2014	Failure to conduct reasonable investigations
18	4/17/2014	4/24/2014	Failure to effectuate prompt, fair and equitable settlements of claims
19	4/17/2014	4/24/2014	Preferred repair shops
20	4/17/2014	4/24/2014	Failure to promptly provide reasonable explanation of the basis for denying a claim
21	4/17/2014	4/24/2014	Ascribing fault in spite of obvious absence of fault
22	4/17/2014	4/24/2014	Automobile Insurance sales tax for a totaled vehicle
23	4/17/2014	4/24/2014	Inadequate claims files
24	4/17/2014	4/24/2014	Failure to disclose correct Dept of Insurance
25	4/17/2014	4/24/2014	Failure to provide notice to insured of choice of body parts