

# STATE OF ILLINOIS



## Department of Insurance

IN THE MATTER OF  
THE EXAMINATION OF:

SAFE AUTO INSURANCE COMPANY  
4 EASTON OVAL  
COLUMBUS, OHIO 43219-6010

### MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 5/131.21, 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint Roger Henschen, Examiner-In-Charge, Larry Nelson, and associates as the proper persons to examine the insurance business and affairs of Safe Auto Insurance Company of Columbus, Ohio, and to make a full and true report to me of the examination made by them of Safe Auto Insurance Company with a full statement of the condition and operation of the business and affairs of Safe Auto Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Safe Auto Insurance Company.

### IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.

Done at the City of Springfield, this 24<sup>th</sup> day of September, 2010

  
\_\_\_\_\_  
Michael T. McRaith

Director



STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF SANGAMON   )

I personally served a copy of the within Warrant by leaving  
said copy with Jeffrey Little, at the hour of 9:45 a.m.  
on January 5, A.D., 2011.

Roger O. Henschen  
Examiner

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE



IN THE MATTER OF THE EXAMINATION OF

SAFE AUTO INSURANCE COMPANY  
4 EASTON OVAL  
COLUMBUS, OH 43219-6010

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403, and 5/425) do hereby appoint Scott A. Hanfling, Mark Wilson, Tim Kelly, and Meghan Welch, each of Kerns Frost & Pearlman, LLC, as Examiners, to assist the Illinois Department of Insurance ("Department") in the completion of the market conduct examination of Safe Auto Insurance Company, NAIC #25405, (the "Company") by reviewing and completing the examination report prepared by Examiner-in-Charge, Roger Henschen, including the review of any objections or rebuttals submitted by the Company regarding the findings of such reports, and drafting of any related Stipulation and Consent Order for the review and approval of the Director. The costs of this examination shall be borne by the Company.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of the Company.



*IN TESTIMONY WHEREOF*, I hereto set my hand and cause to be affixed this Seal.

Done at the City of Chicago, this 10th day of December, 2012.

*Andrew Boron*  
\_\_\_\_\_  
Andrew Boron

Director

**SAFE AUTO INSURANCE COMPANY**

## MARKET CONDUCT RE-EXAMINATION REPORT

DATE OF EXAMINATION: January 3, 2011 through  
February 10, 2011

RE-EXAMINATION OF: Safe Auto Insurance Company,  
Foreign Stock

LOCATION OF EXAMINATION: 4 Easton Oval  
Columbus, Ohio 43219

PERIOD COVERED BY  
RE-EXAMINATION: December 1, 2009 through  
November 30, 2010

EXAMINERS: Larry J. Nelson  
Roger O. Henschen  
Examiner-in-Charge

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## I. COMPLIANCE

The Company was previously the subject of a Market Conduct Examination conducted by the Illinois Department of Insurance completed August 1, 2008, which covered the period from May 1, 2007 through April 30, 2008. Based upon the findings of that Examination, and to bring the Company into compliance, the following 13 orders were issued:

1. Institute and maintain procedures whereby an insured whose automobile policy is being canceled is provided a specific explanation of the reason or reasons for cancellation and provided at least 30 days advance notice as required by 215 ILCS 5/143.15.

The Company is not in compliance due to a Class Criticism.

2. Institute and maintain procedures whereby an insured whose automobile policy is being canceled is notified of his or her possible eligibility for insurance through the Illinois Automobile Insurance Plan as required by 215 ILCS 5/143.20.

The Company is in compliance.

3. Institute and maintain procedures whereby insureds who receive collision payments from the Company are provided delay letters when required, as outlined in 50 Ill. Adm. Code 919.80(b)(2).

The Company is not in compliance due to a General Trend Criticism issued during this re-examination. The General Trend Criticism, however, was due to issues that were not the major issues during the last examination. During the prior examination, the major issue was that no delay letters were sent. During this re-examination, delay letters were sent, but they were sent with reasons that were not reasonable or applicable.

4. Institute and maintain procedures whereby insureds whose collision claim is closed without payment receive a delay letter when required, as outlined in 50 Ill. Adm. Code 919.80(b)(2).

The Company is not in compliance due to a General Trend Criticism issued during this re-examination. The General Trend Criticism, however, is due to issues that were not the major issues during the last examination. During the prior examination the major issue was that no delay letters were sent. During this re-examination, delay letters were sent, but they were sent with reasons that were not reasonable or applicable.

5. Institute and maintain procedures whereby third party claimants who receive property damage payments from the Company are provided delay letters when required as outlined in 50 Ill. Adm. Code 919.80(b)(3).

The Company is not in compliance due to a General Trend Criticism issued during this re-examination. The errors were 100.00% during the prior exam and 14.04% during this re-examination.

6. Institute and maintain procedures whereby third party claimants whose property damage claims have been closed without payment receive delay letters when required as outlined in 50 Ill. Adm. Code 919.80(b)(3).

The Company is in compliance.

7. Institute and maintain procedures whereby the insured's deductible is returned in a timely manner, within 30 days, as required by 50 Ill. Adm. Code 919.50(a).

The Company is in compliance.

8. Institute and maintain procedures whereby the full pro rata share of the insured's deductible is paid to the insured out of the net recovery on the subrogated claim as required by 215 ILCS 5/143b.

The Company is in compliance.

9. Institute and maintain procedures whereby "final" or "release" wording is eliminated from the Proof of Loss sent to the insured as mandated by 50 Ill. Adm. Code 919.60(a).

The Company is in compliance.

10. Institute and maintain procedures whereby all total loss insureds are treated equally when paying tax, title and transfer fees as required by 215 ILCS 5/154.6(r) and as related to 215 ILCS 5/154.6(d) and 50 Ill. Adm. Code 919.80(c)(3)(A)(i).

The Company is in compliance.

11. Institute and maintain procedures whereby within seven (7) days of the insured's vehicle being determined a total loss, insureds are provided with information as outlined in 50 Ill. Adm. Code 919.80(c) Exhibit A.

The Company is not in compliance due to a General Trend Criticism issued during this re-examination.

12. Institute and maintain procedures whereby insureds who have experienced a total loss to their vehicle are provided a delay letter when required as outlined in 50 Ill. Adm. Code 919.80(b)(2).

The Company is in compliance.



13. Institute and maintain procedures to inform insureds, prior to the first renewal of their automobile policy, of the availability of higher collision and comprehensive deductibles and that a premium savings could result if the higher deductibles were purchased, as required by 215 ILCS 5/143.25a.

The Company is in compliance.

## II. SUMMARY OF RE-EXAM

1. The Company was criticized under 215 ILCS 5/143.15 for failing to provide in the notice of cancellation a specific explanation of the reason or reasons for cancellation and/or failing to provide at least 30 days advance notice.

A Class Criticism was issued in the Private Passenger Automobile Cancellation Survey.

2. The Company was criticized for canceling auto policies that had been in effect for more than 60 days for reasons other than those allowed by 215 ILCS 5/143.19.

A General Trend Criticism was issued in the Private Passenger Automobile Cancellation Survey.

3. The Company was criticized for failing to send the insured a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(2).

A General Trend Criticism was issued in the Auto First Party Paid Survey.

4. The Company was criticized for failing to send the insured a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(2).

A General Trend Criticism was issued in the Auto First Party Closed Without Payment Survey.

5. The Company was criticized under 50 Ill. Adm. Code 919.80(b)(3) for failing to provide the third party claimant with a reasonable written explanation for the delay when the automobile property damage claim remained unresolved for more than 60 days.

A General Trend Criticism was issued in the Third Party Paid Survey.

6. The Company was criticized under 50 Ill. Adm. Code 919.80(c) for failing to provide to insureds who experienced a total loss to the insured vehicle the information contained in Exhibit A within seven (7) days of the vehicle being determined a total loss.

A General Trend Criticism was issued in the Auto Total Loss Survey.

7. The Company was criticized under 50 Ill. Adm. Code 919.80(c)(3)(A)(i) for creating two (2) underpayments totaling \$160.00 relating to title and transfer fees. The Company has made reimbursement payments.

8. The examiners discovered the following while reviewing claim files: When there was no evidence that the insured or claimant had a lien holder on the vehicle, the

Company failed to promptly pay and mail to the insured or claimant the amount for the damages to the vehicle. The Company's reason for failing to make the payment was that it was awaiting body shop information. Unless the insured or claimant specifically requests payment to a body shop, the lack of body shop information is no reason for not making payment. Delaying payment is in conflict with 50 Ill. Adm. Code 919.50(a) and/or 215 ILCS 5/154.6(d) which require prompt settlement. Delaying payment for reasons that fail to be applicable is also an unfair or deceptive act or practice which is in conflict with 215 ILCS 5/423(1), and/or 5/424(4).

A Class Criticism applies.

### III. METHODOLOGY

The Market Conduct Re-examination places emphasis on evaluating an insurer's systems and procedures in dealing with insureds and claimants.

The following categories were the areas examined:

1. Risk Selection
2. Claims

The review of these categories was accomplished through examination of individual risk selection and claim files, and interviews with company personnel. Each of these categories was examined for compliance with Departmental Rules and Regulations and applicable state law with the primary focus on the issues regarding the orders issued from the previous examination.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated to the insurer, but are not cited in the report if not indicative of a general trend, except if there were underpayments and/or overpayments in claim surveys and/or issues related to the prior orders.

The following methods were used to obtain the required samples to assure methodical selection.

#### Risk Selection

Cancellations were requested on the basis of the notice of cancellation sent to the insured during the examination period. They were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and for any possible discrimination.

#### Claims

Claims were requested based on the settlement occurring within the period under examination.

### Selection of Samples

		Total	#	%
		<u>Files</u>	<u>Reviewed</u>	<u>Reviewed</u>
A.	Risk Selection			
	1. Private Passenger Automobile Cancellations	130	130	100.00
B.	Claims			
	1. Auto First Party Paid	582	127	21.82
	2. Auto First Party Closed Without Payment	501	110	21.96
	3. Auto Third Party Paid	1200	155	12.92
	4. Auto Third Party Closed Without Payment	546	49	8.97
	5. Auto Total Losses – First Party	91	91	100.00
	6. Subrogation	43	43	100.00

## IV. FINDINGS

### A. Risk Selection

#### 1. Private Passenger Automobile Cancellations

Thirty-two (32) of the forty-five (45) cancellations examined (71.11%) were in violation of 215 ILCS 5/143.15. The reasons provided were nonspecific in 32 files; and in 10 files the Company failed to provide at least 30 days notice. (Note: 23 cancellations were nonspecific: 9 files were both nonspecific and provided less than 30 days notice; and one (1) file provided less than 30 days notice). A Class Criticism was issued.

A General Trend Criticism was issued regarding policies that were canceled and had been in effect for more than 60 days. In three (3) cancellations, the policy had been in effect for more than 60 days when the notice of cancellation was mailed. When a policy has been in effect for more than 60 days, the Company may cancel only for the reasons listed in 215 ILCS 5/143.19. In one (1) file (33.33%), the reason for the cancellation was one not listed in 215 ILCS 5/143.19.

Rescissions were also included on the cancellation list provided by the Company. Twelve (12) notices of rescission were sent during the experience period. On each of these notices, the reason given for rescission was: "We hereby declare the insurance contract to be null and void from its inception due to your material misrepresentation." If a policy is rescinded based on material misrepresentation, no such misrepresentation or false warranty shall defeat or avoid the policy unless it shall have been made with actual intent to deceive or materially affects either the acceptance of the risk or the hazard assumed by the company. . . 215 ILCS 5/154.

### B. Claims

#### 1. Auto First Party Paid

Fifty-seven (57) first party claims remained unresolved in excess of 40 days and required a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 19.80(b)(2). The Company failed to do so in eight (8) files (14.04%), and a General Trend Criticism was issued. (Note: In the previous exam, in instances where a delay letter was required, the Company was in violation 35 out of 37 times (94.5%). The Company failed to send a delay letter 28 times, sent letters late seven (7) times, and failed to give a reasonable reason for delay three (3) times. During the re-exam, the Company was in violation 8 out of 57 times (14.04%). The Company failed to give a reasonable reason for delay in

eight files. In one of the 8 files, the Company sent the delay letter to the insured's attorney who was not representing the insured for the collision damage to the insured vehicle. This resulted in a failure to send a delay letter to the insured in this file.

2. Auto First Party Closed Without Payment

Sixty-six (66) first party claims remained unresolved in excess of 40 days and required a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(2). The Company failed to give a reasonable written explanation for the delay in 10 files (15.15%). A General Trend Criticism was issued. (Note: In the previous exam, the Company was in violation 10 out of 11 times (90.91%), when a delay letter was required. The Company failed to send a delay letter 9 times, and sent one (1) delay letter late. During the re-exam, the Company was in violation for failing to send a delay letter 12 out of 66 times (18.18%). The reason given for the delay was not reasonable 10 times, and the delay letter was sent late one (1) time.)

3. Auto Third Party Paid

Forty-six (46) third party claims remained unresolved in excess of 60 days and required a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(3). The Company failed to give a reasonable written explanation for the delay in six (6) files (13.04%), and a General Trend Criticism was issued. (Note: In the previous exam, the Company was in violation 5 out of 5 times that a delay letter was required (100.00%). The Company failed to send a delay letter four times, and sent one delay letter late. During the re-exam, the Company was in violation 6 out of 46 times (13.04%). The Company failed to send a delay letter five (5) times and sent the delay letter late one (1) time.)

4. Third Party Auto Closed Without Payment

Twenty (20) third party claims remained unresolved in excess of 60 days and required a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(3). The Company failed to give a reasonable written explanation for the delay in one (1) file (5.00%). (Note: In the previous exam, the Company was in violation 9 out of 9 times where a delay letter was required (100.00%). The Company failed to send a delay letter six (6) times, and sent the delay letter late three (3) times. During the re-exam, the Company was in violation 1 out of 20 times (5.00%). The Company sent one (1) delay letter late.)

5. Auto Total losses – First Party

Ninety-one (91) total losses were examined. The Company failed in 16 instances (17.58%) to send Exhibit A in a timely manner (i.e., within seven (7) days of the vehicle being determined a total loss) in violation of 50 Ill. Adm. Code 919.80(c). In one (1) of these 16 files, the Company sent Exhibit A to the wrong individual. A General Trend Criticism was issued. (Note: During the previous examination, the Company failed to provide the insured Exhibit A 36 times, and sent the Exhibit late 18 times. In this re-exam, the Company sent Exhibit A late 16 times, and in one (1) of these 16 files, sent the Exhibit to the wrong individual.)

Sixty-five (65) total losses remained unresolved in excess of 40 days and required a reasonable written explanation for the delay as outlined in 50 Ill. Adm. Code 919.80(b)(2). The Company failed to give a reasonable written explanation for the delay in two (2) files (3.08%). (Note: In the previous exam, the Company was in violation in 50 of 58 instances in which a delay letter was required (86.21%). The Company failed to send a delay letter 45 times, and sent the delay letter late 5 times. During the re-exam, the Company was in violation 2 out of 65 times (3.08%). The reason given for the delay was not reasonable in one (1) file, and in another file, the Company sent the Exhibit to the wrong individual.)

In two (2) files, the Company was in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). In paying sales tax, title and transfer fees, the Company paid the taxes, but failed to pay the fees creating an underpayment of \$120.00 in one (1) file. In another file, the Company paid \$80.00 for title and transfer fees when the fees had been raised to \$120.00, resulting in an underpayment of \$40.00. The Company has made reimbursements.

6. Auto Subrogation

There were no criticisms.



## V. INTERRELATED FINDINGS

When there was no evidence the insured or claimant had a lien holder on the vehicle, the Company failed to promptly pay and mail to the insured or claimant the amount for the damages to the vehicle. The Company's reason for failing to make the payment was that it was awaiting body shop information. Unless the insured or claimant specifically requests payment to a body shop, the lack of body shop information is no reason for not making payment. Delaying payment is in conflict with 50 Ill. Adm. Code 919.50(a), which requires the Company to affirm or deny liability on claims within a reasonable time and to offer payment within 30 days after affirmation of liability, if the amount of the claim is determined and not in dispute. Delaying payment may also conflict with 215 ILCS 5/154.6(d), which requires prompt, fair and equitable settlement of claims in which liability has become reasonably clear. Delaying payment for reasons that fail to be applicable is an unfair or deceptive act or practice, which conflicts with 215 ILCS 5/423(1) and/or 5/424(4). A Class Criticism applies for this additional and interrelated finding.

STATE OF CONNECTICUT  
COUNTY OF HARTFORD

} ss *Hartford*

Roger Henschen, being first duly sworn upon his oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of:

Safe Auto Insurance Company, NAIC # 25405

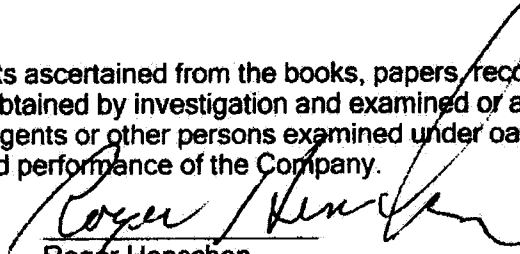
That, as Examiner-In-Charge, he was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither he nor any other persons designated as examiners nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as policyholders, and that neither he nor any other persons designated as examiners nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.



Roger Henschen  
Examiner-In-Charge

Subscribed and sworn to before me  
this 10<sup>th</sup> day of April, 2013.

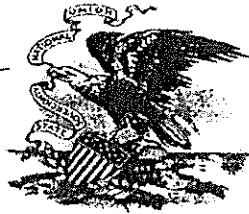


Notary Public



**DIANN C. DAVIDSON**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES APR. 30, 2016

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

SAFE AUTO INSURANCE COMPANY  
4 Easton Oval  
Columbus, Ohio 43219

STIPULATION AND CONSENT ORDER

WHEREAS, the Director ("Director") of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Safe Auto Insurance Company ("Company") is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Re-Examination of the Company was conducted by duly qualified examiners of the Department pursuant to the Illinois Insurance Code; and

WHEREAS, the Department examiners have filed a re-examination report as an official document of the Department as a result of the Market Conduct Re-Examination; and

WHEREAS, said report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Re-Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain procedures whereby an insured whose automobile policy is being canceled is provided a specific explanation of the reason or reasons for cancellation and provided at least 30 days advance notice as required by 215 ILCS 5/143.15.
2. Institute and maintain procedures whereby an insured whose private passenger automobile policy has been in effect for more than 60 days is canceled only for reasons allowed by 215 ILCS 5/143.19.
3. Institute and maintain procedures whereby an insured's policy can only be rescinded for those reasons enumerated in 215 ILCS 5/154. A policy or policy renewal shall not be rescinded after the policy has been in effect for one year or one policy term, whichever is less.
4. Institute and maintain procedures whereby an insured whose private passenger automobile policy is being rescinded is provided the reason for the action on the notice of rescission to avoid being in conflict with 215 ILCS 5/154 and 215 ILCS 5/423(1).
5. Institute and maintain procedures whereby a written explanation for the delay as required by 50 Ill. Adm. Code 919.80(b)(2) is provided to the insured when the collision claim is unresolved more than 40 days from the date the loss was reported and whose claim will eventually be paid.

6. Institute and maintain procedures whereby a written explanation for the delay as required by 50 Ill. Adm. Code 919.80(b)(2) is provided to the insured when the collision claim is unresolved more than 40 days from the date the loss was reported and whose claim will eventually be closed without payment.
7. Institute and maintain procedures whereby a third party claimant whose property damage claim remains unresolved for more than 60 days and whose claim will eventually be paid is provided a written explanation for the delay as required by 50 Ill. Adm. Code 919.80(b)(3).
8. When the insured vehicle has been determined a total loss, and the insurance policy provides for the adjustment and settlement of first party vehicle claims on the basis of actual cash value or replacement, the Company shall establish and maintain a procedure to provide the insured with, at a minimum, the information contained in Exhibit A, commonly known as the right of recourse letter, within 7 days, as required by 50 Ill. Adm. Code 919.80(c).
9. Institute and maintain procedures whereby an insured or third party claimant who has no lien holder on their damaged vehicle is provided payment promptly, and that the lack of body shop information is no longer used as a reason for not making payment since that is not an applicable reason. Noncompliance with this order will place the Company in conflict with 50 Ill. Adm. Code 919.50(a) and 215 ILCS 5/154.6(d) which require prompt settlement. Failing to make payments for reasons that are not applicable is also an unfair or deceptive act or practice which is in conflict with 215 ILCS 5/423(1) and/or 5/424(4).
10. As the Company was not in compliance with five (5) of 13 of the orders contained in the November 16, 2009 Stipulation and Consent Order, and additional violations of Illinois law were found during the re-examination, the Company shall pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$50,000.00 within 30 days of the execution of these orders.
11. Submit to the Director of the Department of Insurance, State of Illinois, proof of compliance with the above ten (10) orders within 30 days of receipt of these Orders.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of SAFE AUTO INSURANCE COMPANY:

*MLM*

Signature

*Mark Lemaster*

Name

*EVP - General Counsel & Secretary*

Title

Subscribed and sworn to before me this  
*3rd* day of *March* A.D. 2014.



**Kristen E. Kollar**  
Notary Public, State of Ohio  
My Commission Expires 11-24-2018

*Kristen E. Kollar*

Notary Public

DEPARTMENT OF INSURANCE of the  
State of Illinois:

DATE

*3/3/14*

*Andrew Boron*

Andrew Boron  
Director



# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW BORON  
Director

VIA USPS CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

May 23, 2014

Jeffrey Little, Managing Counsel  
Office of the General Counsel  
Safe Auto Insurance Company  
4 Easton Oval  
Columbus, Ohio 43219

**Re:** Safe Auto Insurance Company-NAIC#25405  
*Market Conduct Examination Closing Letter*

Dear Mr. Little:

The Department has reviewed your company's proof of compliance received on May 14, 2014, and deems it adequate and sufficient. Therefore, the Department is closing its file on this exam. I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132.

Please contact me if you have any questions.

Sincerely,

Lysa Saran  
Acting Deputy Director  
Consumer Outreach and Protection  
Illinois Department of Insurance  
122 S. Michigan Avenue, 19th Floor  
Chicago, IL 60603  
Phone: 312-814-1767  
Cell: 312-833-4396  
E-mail: Lysa.Saran@Illinois.gov

*Once the report of examination has been filed, the exam report, company rebuttal, if any, and the corresponding Orders (if applicable), are public documents under the Freedom of Information Act (5 ILCS 140/1 et al.) and may be posted on the Department's website. In the event of a formal hearing, the record of the hearing, the Hearing Officer Recommendations, and the Director's final Order are also public documents and may be posted on the Department's website.*