



Illinois Department of Insurance

Bruce Rauner
Governor

Anne Melissa Dowling
Acting Director

November 2, 2015

Bruce S. Arneson, President
Omni Indemnity Company
2018 Powers Ferry Rd SE, Suite 100
Atlanta, GA 30339

Re: Omni Indemnity Company, NAIC #34940
Market Conduct Examination Report Closing Letter

Dear Mr. Arneson:

The Department has reviewed your Company's proof of compliance 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. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jack Engle".

Jack Engle, MCM
Assistant Deputy Director-Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington- 5th Floor
Springfield, IL 62767
217-558-1058
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Omni Indemnity Company

MARKET CONDUCT RE-EXAMINATION REPORT

DATE OF RE-EXAMINATION: February 17, 2015 through March 27, 2015

EXAMINATION OF: Omni Indemnity Company
(P & C Foreign) NAIC #34940

LOCATION: 2018 Powers Ferry Rd, Suite 400
Atlanta, GA 30339

PERIOD COVERED BY
RE-EXAMINATION: December 1, 2013 through November 30, 2014

EXAMINERS: Ron Cochran, MCM
Sara Moler
Bernie Sullivan Jr. LUTCF, MCM
Examiner-in-Charge

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I. COMPLIANCE

Omni Indemnity Company (Omni) was previously the subject of a market conduct examination completed March 25, 2011, covering the period December 1, 2009 through November 30, 2010.

Based upon the findings of that examination the following eight (8) Orders were issued in a Stipulation and Consent Order issued by the Director of Insurance, State of Illinois, on January 2, 2013.

ORDER #1: Institute and maintain procedures whereby all policyholders whose policies are being cancelled are provided a 30 day advanced notice of cancellation as mandated by 215 ILCS 5/143.15.

Finding: Omni is complying with this Order

ORDER #2: Institute and maintain procedures whereby all first party claimants whose claims remain open for more than 40 days from the date of report to the date of final payment are provided with a reasonable written explanation for delay in payment of their claim as required by 50 Ill. Adm. Code 919.80(b)(2).

Finding: Omni is not complying with this Order

ORDER #3: Institute and maintain procedures whereby all third party claimants whose claims remain open in excess of 60 days from the date of report to the date of final payment are provided with a reasonable written explanation for delay in payment of their claim as required by 50 Ill. Adm. Code 919.80(b)(3).

Finding: Omni is not complying with this Order

ORDER #4: Institute and maintain procedures whereby all insureds with a total loss of their vehicle are provided, at a minimum, with the information contained in Exhibit A as required by 50 Ill. Adm. Code 919.80(c).

Finding: Omni is not complying with this Order

ORDER #5: Institute and maintain procedures whereby all insureds with a total loss of their vehicle receive a fair and equitable settlement based on the value of the vehicle determined in the claims process as mandated by 215 ILCS 5/154.6(d).

Finding: Omni is complying with this Order

ORDER #6: Institute and maintain procedures whereby all insureds with a total loss claim are treated equally when paying the tax, title and transfer fees as mandated by 215 ILCS 5/154.6(d).

Finding: Omni is complying with this Order

ORDER #7: Institute and maintain procedures whereby no advanced charge deductions for storage are made when there are no excessive charges as a result of the insureds own action as mandated by 50 Ill. Adm. Code 919.80(d)(3).

Finding: Omni is complying with this Order

ORDER #8: Institute and maintain procedures whereby the median calculation for first party claims is 40 days or below as required by 50 Ill. Adm. Code 919.80(b)(2).

Finding: Omni is not complying with this Order

II. SUMMARY

A compliance market conduct examination of Omni Indemnity Company was performed to determine compliance with Orders issued by the Director of Insurance, State of Illinois, applicable Illinois Statutes and Illinois Administrative Code.

The following represent general findings, however, specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS						
Crit #	Statute/Rule	Description of violation & company response if disagreed	Population	Files Reviewed	Number of Violations	Error %
1	215 ILCS 5/143.14(a)	Auto cancellations, failure to maintain proof of mailing of the cancellation notice	91	91	91	100.00%
2	215 ILCS 5/154.6(d)	1 st CWP, failed to effectuate a prompt, fair and equitable settlement, underpayment of \$1,328.38, company disagreed, continuing a statement of insured non-cooperation, retention unsure, notes do indicate insured was in possession of vehicle, informed Crit would stay	105	80	1	1.25%
3	50 Ill. Adm. Code 919.80(c)	1 st CWP, failed to provide the insured with the Exhibit A within 7 days of determination of total loss	105	80	1	1.25%
4	50 Ill. Adm. Code 919.30(c)	1 st CWP, no documentation to show actions of company relating to claim	105	80	1	1.25%
5	50 Ill. Adm. Code 919.50(a)(1)	1 st CWP, failed to include the notice of availability of the Department of Insurance with the denial provided insured	105	80	2	2.50%
6	50 Ill. Adm. Code 919.80(b)(2)	1 st CWP, failed to provide a reasonable written explanation for delay to insured, Violation of Order #2 of STIP issued 1/2/13	105	80	6	7.50%

7	50 Ill. Adm. Code 919.50(a)(2)	3rd CWP, failed to provide a reasonable written explanation for denial to claimant	113	80	1	1.25%
8	215 ILCS 5/154.6(b)	3rd CWP, failure to communicate with all parties involved	113	80	2	2.50%
9	50 Ill. Adm. Code 919.30(c)	3rd CWP, no documentation to show actions of company relating to claim	113	80	2	2.50%
10	215 ILCS 5/154.6(d)	3rd CWP, failed to effectuate a prompt, fair and equitable settlement	113	80	3	3.75%
11	215 ILCS 5/154.6(c)	3rd CWP, failure to conduct a prompt investigation	113	80	5	6.25%
12	50 Ill. Adm. Code 919.80(b)(3)	3rd CWP, failed to provide a reasonable written explanation for delay to claimant, Violation of Order #3 of STIP issued 1/2/13	113	80	6	7.50%
13	215 ILCS 5/154.6(d)	1 st Paid, failed to effectuate a prompt, fair and equitable settlement	121	80	4	5.00%
14	215 ILCS 5/154.6(d)	3rd Paid, failed to effectuate a prompt, fair and equitable settlement	307	88	1	1.14%
15	215 ILCS 5/154.6(b)	3rd Paid, failure to communicate with all parties involved	307	88	1	1.14%
16	50 Ill. Adm. Code 919.30(c)	3rd Paid, no documentation to show actions of company relating to claim	307	88	2	2.28%
17	215 ILCS 5/154.6(c)	3rd Paid, failure to conduct a prompt investigation	307	88	2	2.28%
18	50 Ill. Adm. Code 919.80(b)(3)	3rd Paid, failed to provide a reasonable written explanation for delay to claimant, Violation of Order #3 of STIP issued 1/2/13	307	88	11	12.50%
19	50 Ill. Adm. Code 919.50(a)(1)	TL, no Department of Insurance wording included in denial letter	67	67	1	1.49%

20	50 Ill. Adm. Code 919.80(c)	TL, failure to provide the insured with the Exhibit A within 7 days, Violation of Order #4 of STIP issued 1/2/13	67	67	12	17.91%
21	50 Ill. Adm. Code 919.80(b)(2)	TL, failed to provide a reasonable written explanation for delay to insured, Violation of Order #2 of STIP issued 1/2/13	67	67	28	41.79%
22	50 Ill. Adm. Code 919.80(b)(2)	TL, failed to maintain a median lower than 40 days from the date of report, Violation of Order #8 of STIP issued 1/2/13	67	67	1	100.00%

III. BACKGROUND:

Omni Indemnity Company

Omni Indemnity Company is an Illinois domiciled multiple line property and casualty insurance company that was organized June 30, 1980, in Georgia as American Hannover Insurance Company. It began business as a reinsurer on September 19, 1980. At inception, Omni Insurance was a wholly-owned subsidiary of Hannover Holdings, Inc. A new holding company was formed on June 2, 1986, when Hannover and the Sunbelt Life Insurance Company became the Omni Insurance Group. In 1989, Sunbelt Life Insurance Company amended its charter to become a property casualty insurer. The name of the successor company was Omni Indemnity Company. Omni Indemnity received a Certificate of Authority from its domicile state, Georgia, in November 1989.

On December 1, 1994, the Illinois Department of Insurance granted approval for Omni Indemnity Company to move its domicile from Georgia to Illinois. The change was approved by the Georgia Department of Insurance and became effective December 31, 1994.

On June 10, 1996, Omni Indemnity Company officially changed its domicile from the state of Georgia to Illinois. Its Articles of Reorganization and Bylaws were amended on July 18, 1996.

On February 12, 1998, all outstanding stock of the Omni Group was acquired by The Hartford Financial Service Group, Inc.

On November 30, 2006, Omni Insurance Group, Inc. was acquired by American Independent Companies, Inc. a subsidiary of Independent Insurance Investments, Inc.

Omni Indemnity writes non-standard automobile insurance in Alabama, Georgia, Florida and Illinois.

Company’s 2013 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC #34940

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
19.1	Private passenger auto no-fault (personal injury protection)	\$	\$	\$10,000	\$11,332
19.2	Other private passenger auto liability	\$2,540,674	\$2,673,675	\$1,953,084	\$1,886,774
21.1	Private passenger auto physical damage	\$1,417,878	\$1,538,560	\$997,244	\$1,130,872
35	Total	\$3,958,552	\$4,212,235	\$2,960,328	\$3,028,978

IV. METHODOLOGY:

The market conduct examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. The scope of this market conduct examination was limited to the following general areas.

1. Risk Selection
2. Claims

The review of these categories is accomplished through examination of individual underwriting and claim files, written interrogatories and interviews with company personnel. Each of these categories is examined for compliance with Department of Insurance rules and regulations and applicable state laws.

The following method was used to obtain the required samples and to assure a statistically sound selection. Surveys were developed from Company generated Excel spreadsheets. Random statistical printout reports were generated by the examiners and presented to the Company for retrieval.

Risk Selection

Cancellations of existing policy holders were requested on the basis of the effective date of the transaction falling within the period under examination. Cancellations 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 or the claim file being closed without payment within the period under examination.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 et seq.) and Part 919 (50 Ill. Adm. Code 919).

V. SELECTION OF SAMPLE:

<u>Survey</u>	<u>Population</u>	<u># Reviewed</u>	<u>% Reviewed</u>
Risk Selection:			
Private Passenger Automobile Cancellations	91	91	100.00%
Claims:			
Private Passenger First Party Paid & Median	121	80	66.12%
Private Passenger First Party Closed without Payment	105	80	76.19%
Private Passenger Third Party Paid & Median	307	88	28.66%
Private Passenger Third Party Closed without Payment	113	80	70.80%
Private Passenger Total Losses	67	67	100.00%

VI. FINDINGS:

A. Risk Selections:

1. Automobile Cancellations

In ninety-one (91) instances out of 91 files reviewed for an error percentage of 100.00%, the Company failed to maintain the proof of mailing for the cancellation. The post office forms used contained no signature of the postal worker and failed to show the postal stamp. This is a violation of 215 ILCS 5/143.14(a).

B. Claims

1. Private Passenger Automobile First Party Paid & Median

The median payment period was 27 days distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	43	53.75%
31-60	14	17.50%
61-90	13	16.25%
91-180	6	7.50%
181-365	2	2.50%
<u>Over 365</u>	<u>2</u>	<u>2.50%</u>
Total	80	100.00%

In four (4) instances out of 80 files reviewed for an error percentage of 5.00%, the Company failed to effectuate a prompt, fair and equitable settlement. This is a violation of 215 ILCS 5/154.6(d).

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	07/25/13	01/02/14	161	Estimates not in file, supplement payment delayed by adjuster, no communication with insured.
	10/02/13	01/24/14	114	No communication with insured, 27 days without working claim.
	06/19/14	09/04/14	77	Payment made 32 days after receipt of final request.
	09/08/14	11/05/14	58	Payment to insured made 31 days after liability determined and receipt of final request.

2. Private Passenger Automobile First Party Closed without Payment

In one (1) instance out of 80 files reviewed for an error percentage of 1.25%, the Company failed to effectuate a prompt, fair and equitable settlement. Payment to the insured was never processed as an owner retained total loss. A \$1,328.38 underpayment exists. This is a violation of 215 ILCS 5/154.6(d).

In one (1) instance out of 80 files reviewed for an error percentage of 1.25%, the Company failed to provide the insured with the right of recourse letter within 7 days of determination of the total loss. This is a violation of 50 Ill. Adm. Code 919.80(c).

In one (1) instance out of 80 files reviewed for an error percentage of 1.25%, the Company failed to maintain documentation in the file to allow reconstruction of the company actions as related to the claim. This is a violation of 50 Ill. Adm. Code 919.30(c).

In two (2) instances out of 80 files reviewed for an error percentage of 2.50%, the Company failed to include the notice of availability of the Department in the denial letter. This is a violation of 50 Ill. Adm. Code 919.50(a)(1).

In six (6) instances out of 80 files reviewed for an error percentage of 7.50%, the Company failed to provide the insured with a reasonable written explanation for delay when the claim remained unresolved for more than 40 days from the date of report. This is a violation of 50 Ill. Adm. Code 919.80(b)(2). This is further a violation of Order #2 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	08/05/13	12/31/13	148	Delay letter provided failed to contain a reason.
	09/15/13	01/09/14	116	Delay letter sent 11/20/13, day 66
	10/17/13	03/23/14	157	No delay letter found in file
	01/17/14	03/20/14	62	No delay letter found in file
	01/30/14	03/21/14	50	No delay letter found in file
	05/22/14	07/08/14	47	No delay letter found in file

3. Private Passenger Automobile Third Party Paid & Median

The median payment period was 79 days including subrogation and litigation files distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	22	25.00%
31-60	14	15.91%
61-90	11	12.50%
91-180	12	13.64%

181-365	19	21.59%
<u>Over 365</u>	<u>10</u>	<u>11.36%</u>
Total	88	100.00%

The median payment period was 59 days without subrogation and litigation files distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	21	30.43%
31-60	14	20.29%
61-90	9	13.04%
91-180	11	15.94%
181-365	8	11.59%
<u>Over 365</u>	<u>6</u>	<u>8.70%</u>
Total	69	100.00%

In one (1) instance out of 88 files reviewed for an error percentage of 1.14%, the Company failed to effectuate a prompt, fair and equitable settlement. This is a violation of 215 ILCS 5/154.6(d).

In one (1) instance out of 88 files reviewed for an error percentage of 1.14%, the Company failed to acknowledge with reasonable promptness pertinent communications with respect to the claim. This is a violation of 215 ILCS 5/154.6(b).

In two (2) instances out of 88 files reviewed for an error percentage of 2.27%, the Company failed to maintain documentation in the file to allow reconstruction of the company actions as related to the claim. This is a violation of 50 Ill. Adm. Code 919.30(c).

In two (2) instances out of 88 files reviewed for an error percentage of 2.27%, the Company failed to conduct a prompt investigation. This is a violation of 215 ILCS 5/154.6(c).

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	07/28/11	04/01/14	978	Failure to conduct a prompt investigation
	09/10/12	02/26/14	534	Failure to conduct a prompt investigation

In eleven (11) instances out of 88 files reviewed for an error percentage of 12.25%, the Company failed to provide the insured with a reasonable written explanation for delay when the claim remained unresolved for more than 40 days from the date of report. This is a violation of 50 Ill. Adm. Code 919.80(b)(3). This is further a violation of Order #3 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	09/10/12	02/26/14	534	No delay letter found in file
	04/18/13	12/30/13	256	No delay letter found in file
	12/13/13	02/25/14	74	No delay letter found in file
	01/03/14	04/09/14	96	No delay letter found in file
	01/30/14	04/23/14	83	No delay letter found in file
	03/10/14	05/23/14	74	No delay letter found in file
	03/25/14	11/25/14	245	No delay letter found in file
	04/07/14	06/23/14	77	No delay letter found in file
	04/11/14	07/31/14	111	No delay letter found in file
	05/12/14	09/02/14	113	No delay letter found in file
	08/05/14	11/18/14	105	No delay letter found in file

4. Private Passenger Automobile Third Party Closed without Payment

In one (1) instance out of 80 files reviewed for an error percentage of 1.25%, the Company failed to provide the claimant with a written explanation of denial. This is a violation of 50 Ill. Adm. Code 919.50(a)(2).

In two (2) instances out of 80 files reviewed for an error percentage of 2.50%, the Company failed to acknowledge with reasonable promptness, pertinent communications with respect to claims arising under its policies. This is a violation of 215 ILCS 5/154.6(b).

In two (2) instances out of 80 files reviewed for an error percentage of 2.50%, the Company failed to maintain documentation in the file to allow reconstruction of the company actions as related to the claim. This is a violation of 50 Ill. Adm. Code 919.30(c).

In three (3) instances out of 80 files reviewed for an error percentage of 3.75%, the Company failed to effectuate a prompt, fair and equitable settlement. This is a violation of 215 ILCS 5/154.6(d).

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	11/25/13	03/06/14	101	No explanation for delay found in letter provided
	01/02/14	02/22/14	51	Failed to pursue information from police report
	05/07/14	05/29/14	22	No contact attempted with 3 rd party

In five (5) instances out of 80 files reviewed for an error percentage of 6.25%, the Company failed to conduct a prompt investigation. This is a violation of 215 ILCS 5/154.6(c).

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	05/30/12	03/26/14	665	No acknowledgement letter to attorney found
	01/02/14	02/22/14	51	Investigation with building owner not conducted
	01/03/14	01/27/14	24	No police report requested
	02/05/14	02/08/14	3	No contact attempted with IDOT
	02/25/14	04/07/14	41	No follow-up with subrogating company

In six (6) instances out of 80 files reviewed for an error percentage of 7.50%, the Company failed to provide the claimant with a reasonable written explanation for delay when the claim remained unresolved in excess of 60 days from the date of report. This is a violation of 50 Ill. Adm. Code 919.80(b)(3). This is further a violation of Order #3 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	03/15/13	03/31/14	381	Delay letter provided failed to contain a reason
	11/25/13	03/06/14	101	Delay letter provided failed to contain a reason
	01/02/14	02/22/14	51	No delay letter found in file
	05/23/14	01/14/15	236	No delay letter found in file
	06/17/14	09/05/14	80	No delay letter found in file
	08/08/14	09/09/14	32	No delay letter found in file

5. Private Passenger Automobile Total Losses

The median payment period was 49 days distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	12	17.91%
31-60	28	41.79%
61-90	8	11.94%
91-180	10	14.93%
181-365	9	13.43%
<u>Over 365</u>	<u>0</u>	<u>0.00%</u>
Total	67	100.00%

In one (1) instance out of 67 files reviewed for an error percentage of 1.49%, the Company failed to include the notice of availability of the Department in the denial letter. This is a violation of 50 Ill. Adm. Code 919.50(a)(1).

In twelve instances out of 67 files reviewed for an error percentage of 17.91%, the Company failed to provide the insured with the right of recourse letter known as "Exhibit A" within seven (7) days of determination of the total loss. This is a violation of 50 Ill. Adm. Code 919.80(c). This is further a violation of Order #4 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

Claim Number	Date of Report	Date of TL Determination	Date Exhibit A Provided	# of Days after Determination
	08/19/13	08/26/13	09/09/13	14 days
	08/31/13	09/09/13	09/17/13	8 days
	09/03/13	09/16/13	10/03/13	17 days
	09/09/13	09/27/13	11/22/13	56 days
	12/18/13	12/24/13	01/06/14	13 days
	01/14/14	02/07/14	02/24/14	17 days
	02/06/14	02/14/14	02/22/14	8 days
	03/04/14	03/20/14	04/04/14	15 days
	03/13/14	03/25/14	04/09/14	15 days
	05/15/14	06/02/14	09/12/14	102 days
	07/17/14	07/17/14	07/29/14	12 days
	06/26/14	07/21/14	07/31/14	10 days

In twenty-five instances out of 67 files reviewed for an error percentage of 37.31%, the Company either failed to provide the insured with a reasonable written explanation for delay when the claim remained unresolved for more than 40 days from the date of report (22 files), failed to include a reason for delay (2 files), or failed to include the required notice of availability of the Department of Insurance (1 file). This is a violation of 50 Ill. Adm. Code 919.80(b)(2). This is further a violation of Order #2 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

Claim Number	Date of Report	Date of Closed	Number of Days	Criticism
	10/17/13	10/10/14	358	No delay letter provided insured
	10/30/13	06/27/14	240	No delay letter provided insured
	11/12/13	01/13/14	61	No delay letter provided insured
	12/10/13	01/27/14	48	No delay letter provided insured
	12/11/13	04/23/14	133	No delay letter provided insured
	12/13/13	03/06/14	83	No delay letter provided insured
	12/17/13	03/03/14	76	No delay letter provided insured
	12/27/13	04/14/14	108	No delay letter provided insured
	01/02/14	05/07/14	125	No delay letter provided insured
	01/03/14	04/21/14	108	No delay letter provided insured
	09/22/14	11/12/14	49	No delay letter provided insured
	03/07/14	05/07/14	61	No delay letter provided insured
	03/27/14	06/02/14	67	No reason for delay letter provided insured

	04/07/14	05/22/14	45	No delay letter provided insured
	05/04/14	06/19/14	46	No DOI wording in delay letter provided insured
	05/15/14	09/23/14	131	No delay letter provided insured
	06/11/14	09/15/14	96	No delay letter provided insured
	06/24/14	09/19/14	87	No delay letter provided insured
	06/26/14	09/16/14	82	No delay letter provided insured
	06/27/14	08/21/14	55	No delay letter provided insured
	07/03/14	09/02/14	61	No delay letter provided insured
	07/16/14	09/02/14	48	No delay letter provided insured
	07/17/14	09/05/14	50	No delay letter provided insured
	07/29/14	09/12/14	45	No reason for delay letter provided insured
	09/22/14	11/10/14	49	No delay letter provided insured

The company failed to maintain a median below 40 days from the date of report to the date of final payment as defined in 50 Ill. Adm. Code 919.80(b)(2) as related to 50 Ill. Adm. Code 919.80(b)(1). This is further a violation of Order #8 of the Stipulation and Consent Orders issued by the Director of Insurance, State of Illinois on January 2, 2013.

VII. TECHNICAL APPENDICES:

FIRST PARTY PAID & MEDIAN:

MEDIAN DISTRIBUTION		
<i>No. Days Category</i>	<i>Number</i>	<i>Percent</i>
0-30	43	53.75%
31-60	14	17.50%
61-90	13	16.25%
91-180	6	7.50%
181-365	2	2.50%
over 365	2	2.50%
<i>Total</i>	80	100.00%

THIRD PARTY PAID & MEDIAN with subrogation:

MEDIAN DISTRIBUTION		
<i>No. Days Category</i>	<i>Number</i>	<i>Percent</i>
0-30	22	25.00%
31-60	14	15.91%
61-90	11	12.50%
91-180	12	13.64%
181-365	19	21.59%
over 365	10	11.36%
<i>Total</i>	88	100.00%

VII. TECHNICAL APPENDICES continued:

THIRD PARTY PAID & MEDIAN without subrogation:

MEDIAN DISTRIBUTION		
<i>No. Days Category</i>	<i>Number</i>	<i>Percent</i>
0-30	21	30.43%
31-60	14	20.29%
61-90	9	13.04%
91-180	11	15.94%
181-365	8	11.59%
over 365	6	8.70%
<i>Total</i>	69	100.00%

TOTAL LOSSES:

MEDIAN DISTRIBUTION		
<i>No. Days Category</i>	<i>Number</i>	<i>Percent</i>
0-30	12	17.91%
31-60	28	41.79%
61-90	8	11.94%
91-180	10	14.93%
181-365	9	13.43%
over 365	0	0.00%
<i>Total</i>	67	100.00%

STATE OF ILLINOIS)
) ss
COUNTY OF Sangamon)

Bernie Sullivan, being first duly sworn upon his/her 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 Omni Indemnity Company (the "Company"), NAIC #34940,

That the Examiner-In-Charge 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 the Examiner-In-Charge nor any other persons so designated 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 a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated 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 she/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.

Bernie Sullivan Jr.
Examiner-In-Charge

Subscribed and sworn to before me
this 20th day of May, 2015.

Karen D. Alewelt
Notary Public



STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

OMNI INDEMNITY COMPANY
601 WEST MONROE STREET
SPRINGFIELD, IL 62704

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, Omni Indemnity Company ("Company"), NAIC #34940, 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 Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, 407, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, , 5/403, 5/407, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report which is an official document of the Department; and

WHEREAS, the Market Conduct Examination 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, and 407, 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. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. 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 Department Regulations.

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

1. Institute and maintain procedures whereby the Company maintains the proof of mailing of all cancellation notices on a recognized U.S. Post Office form as required by 215 ILCS 5/143.14(a).
2. Institute and maintain procedures whereby all first party claimants whose claims remain open for more than 40 days from the date of report to the date of final payment are provided with a reasonable written explanation for delay in payment of their claim as required by 50 Ill. Adm. Code 919.80(b)(2).
3. Institute and maintain procedures whereby all third party claimants whose claims remain open in excess of 60 days from the date of report to the date of final payment are provided with a reasonable written explanation for delay in payment of their claim as required by 50 Ill. Adm. Code 919.80(b)(3).
4. Institute and maintain procedures whereby all insured's with a total loss of their vehicle are provided, at a minimum, with the information contained in Exhibit A as required by 50 Ill. Adm. Code 919.80(c).
5. Institute and maintain procedures whereby the median calculation for first party claims is 40 days or below as required by 50 Ill. Adm. Code 919.80(b)(2).
6. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above five (5) orders within 30 days of receipt of this Order.
7. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$72,200 to be paid within 30 days of execution of this Order.

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 OMNI INDEMNITY COMPANY

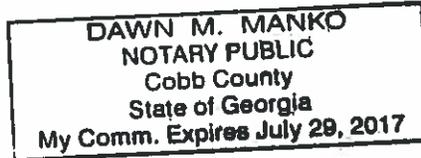

Signature

Bruce Anderson
Name

CEO & President
Title

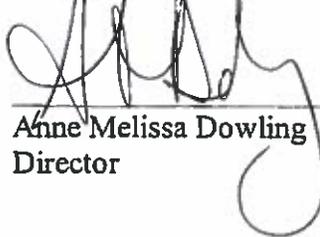
Subscribed and sworn to before me this
23 day of September 2015.


Notary Public



DATE 9/29/15

DEPARTMENT OF INSURANCE of the
State of Illinois:


Anne Melissa Dowling
Director