



Illinois Department of Insurance

BRUCE RAUNER
Governor

JENNIFER HAMMER
Director

VIA ELECTRONIC MAIL

March 14, 2018

Mr. Ricky L. Means
President
Shelter Mutual Insurance Company
1817 West Broadway
Columbia, MO 65218-0001

Re: Shelter Mutual Insurance Company, NAIC 23388
Market Conduct Examination Report Closing Letter

Dear Mr. Means:

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 and Stipulation and Consent Order 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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**ILLINOIS DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION OF**

Shelter Mutual Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: January 1, 2017 through June 30, 2017

EXAMINATION OF: Shelter Mutual Insurance Company
(P & C) NAIC #23388

LOCATION: 1817 West Broadway
Columbia, MO 65218

PERIOD COVERED BY EXAMINATION: September 1, 2015 through August 31, 2016
March 1, 2015 through August 31, 2016 (Complaints)

EXAMINERS: Ron Cochran, MCM, Examiner-in-Charge
Nicole Richards, MCM
Aubrey Powell, MCM
Sara Moler, MCM

INDEX

	Page
I. SUMMARY	1
II. BACKGROUND	6
III. METHODOLOGY	7
IV. SELECTION OF SAMPLE	8
V. FINDINGS	10
A. Risk Selection	10
1. Private Passenger Automobile Cancellations	
2. Private Passenger Automobile Nonrenewals	
3. Homeowner Cancellations	
4. Homeowner Nonrenewals	
5. Dwelling Fire Cancellations	
6. Dwelling Fire Nonrenewals	
7. Mobile Homeowner Cancellations	
8. Mobile Homeowner Nonrenewals	
9. Personal Inland Marine Cancellations	
10. Personal Inland Marine Nonrenewals	
11. Boat Owner Nonrenewals	
12. Personal Umbrella Nonrenewals	
13. Commercial Automobile Cancellations	
14. Commercial Automobile Nonrenewals	
15. Commercial Farm Owner Cancellations	
16. Commercial Farm Owner Nonrenewals	
17. Commercial General Liability Cancellations	
18. Commercial General Liability Nonrenewals	
19. Commercial Fire Cancellations	
20. Commercial Fire Nonrenewals	
21. Commercial Cargo Cancellations	
22. Commercial Cargo Nonrenewals	
23. Commercial Comp Farm Liability Cancellations	
24. Commercial Office and Retail Cancellations	
25. Commercial Inland Marine Cancellations	
26. Commercial Farm Fire Cancellations	
27. Commercial Apartment Owner Cancellations	

B.	Underwriting	14
	1. Private Passenger Automobile New Business	
	2. Private Passenger Automobile Renewals	
	3. Homeowner New Business	
	4. Homeowner Renewals	
	5. Dwelling Fire New Business	
	6. Dwelling Fire Renewals	
	7. Mobile Homeowner New Business	
	8. Mobile Homeowner Renewals	
	9. Boat Owner Renewals	
	10. Commercial Automobile New Business	
	11. Commercial Apartment Owner New Business	
	12. Commercial Farm Fire New Business	
	13. Commercial Farm Fire Renewals	
C.	Claims	16
	1. Private Passenger Automobile First Party Paid and Median	
	2. Private Passenger Automobile First Party Closed Without Payment	
	3. Private Passenger Automobile Third Party Paid and Median	
	4. Private Passenger Automobile Third Party Closed Without Payment	
	5. Private Passenger Automobile Subrogation	
	6. Private Passenger Automobile First Party Total Loss	
	7. Private Passenger Automobile Third Party Total Loss	
	8. Homeowner Paid and Median	
	9. Homeowner Closed Without Payment	
	10. Motorcycle First Party Paid	
	11. Motorcycle First Party Closed Without Payment	
	12. Motorcycle First Party Total Loss	
	13. Motorcycle Subrogation	
	14. All Other Personal Lines Paid	
	15. All Other Personal Lines Closed Without Payment	
	16. All Other Residential Lines Paid	
	17. All Other Residential Lines Closed Without Payment	
	18. All Other Commercial Lines Paid	
D.	Policyholder Service	20
	1. Department Complaints	
	2. Consumer Complaints	
	3. Producer Licensing	
VI.	INTERRELATED FINDINGS	21

I. SUMMARY

A comprehensive market conduct examination of Shelter Mutual Insurance Company, hereinafter referred to as “Shelter” or “the Company”, was performed to determine compliance with Illinois statutes and the 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	Survey / Description	Population	Files Reviewed	Number of Violations	Error %
85	215 ILCS 5/143a-2(2)	Commercial Auto New Business – failure to obtain waiver of additional uninsured motorist coverage	81	81	1	1.23%
27	215 ILCS 5/143b	Private Passenger Auto 1 st Party Paid claims – when recovering from 3 rd Party by means of installments, failed to reimburse full pro rata deductible share to insured as soon as amount is collected	1,040	107	1	0.93%
5	215 ILCS 5/143b	Private Passenger Auto Subrogation claims – when recovering from 3 rd Party by means of installments, failed to reimburse full pro rata deductible share to insured as soon as amount is collected	129	76	3	3.95%
30	215 ILCS 5/143.10a(1)	Commercial Apartment Owner 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	2	2	2	100.00%
32	215 ILCS 5/143.10a(1)	Commercial Auto 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	4	4	4	100.00%
34	215 ILCS 5/143.10a(1)	Commercial Comp Farm Liability 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	1	1	1	100.00%
36	215 ILCS 5/143.10a(1)	Commercial Farm Owner 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	3	3	3	100.00%
40	215 ILCS 5/143.10a(1)	Commercial General Liability 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	17	17	8	47.06%
44	215 ILCS 5/143.10a(1)	Commercial Inland Marine 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	1	1	1	100.00%
47	215 ILCS 5/143.10a(1)	Commercial Auto Nonrenewals – failure to provide loss information with notice of nonrenewal	3	3	2	66.67%
48	215 ILCS 5/143.10a(1)	Commercial Fire Nonrenewals – failure to provide loss information with notice of nonrenewal	2	2	2	100.00%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute / Rule	Survey / Description	Population	Files Reviewed	Number of Violations	Error %
50	215 ILCS 5/143.10a(1)	Commercial Farm Owner Nonrenewals – failure to provide loss information with notice of nonrenewal	1	1	1	100.00%
62	215 ILCS 5/143.10a(1)	Commercial General Liability Mid-Term Cancellations – failure to provide loss information with notice of cancellation	40	40	2	5.00%
65	215 ILCS 5/143.10a(1)	Commercial Cargo Mid-Term Cancellations – failure to provide loss information with notice of cancellation	3	3	1	33.33%
84	215 ILCS 5/143.10a(1)	Commercial Office and Retail 1 st 60 day Cancellations – failure to provide loss information with notice of cancellation	2	2	2	100.00%
37	215 ILCS 5/143.14(a)	Commercial Farm Owner 1 st 60 day Cancellations – failure to provide cancellation notice to mortgage or lien holder	3	3	1	33.33%
61	215 ILCS 5/143.14(a)	Private Passenger Automobile 1 st 60 day Cancellations – failure to provide cancellation notice to insured	87	87	3	3.45%
80	215 ILCS 5/143.15	Private Passenger Auto Mid-Term Cancellations – no 10 day notice for cancellation due to non-payment of premium	1,169	114	1	0.88%
82	215 ILCS 5/143.15	Private Passenger Auto Non-pay Cancellations – no 10 day notice for cancellation due to non-payment of premium	691	113	2	1.77%
86	215 ILCS 5/143.15	Homeowner Mid-Term Cancellations – no 10 day notice for cancellation due to non-payment of premium	271	89	4	4.49%
88	215 ILCS 5/143.15	Dwelling Fire Mid-Term Cancellations – no 10 day notice for cancellation due to non-payment of premium	119	119	4	3.36%
92	215 ILCS 5/143.15	Mobile Homeowner Mid-Term Cancellations – no 10 day notice for cancellation due to non-payment of premium	24	24	1	4.17%
42	215 ILCS 5/143.16	Commercial General Liability 1 st 60 day Cancellations – failed to provide a specific reason for cancellation	17	17	1	5.88%
68	215 ILCS 5/143.17(a)	Boat Owner Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the mortgage or lien holder	4	4	1	25.00%
71	215 ILCS 5/143.17(a)	Mobile Homeowner Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the mortgage or lien holder	5	5	3	60.00%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute / Rule	Survey / Description	Population	Files Reviewed	Number of Violations	Error %
96	215 ILCS 5/143.17(a)	Private Passenger Auto Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the lien holder	176	77	17	22.08%
46	215 ILCS 5/143.17a(d)	Commercial Auto Nonrenewals – unaltered copy of nonrenewal notice to the mortgage or lien holder	3	3	1	33.33%
49	215 ILCS 5/143.17a(d)	Commercial Fire Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the mortgage or lien holder	2	2	1	50.00%
51	215 ILCS 5/143.17a(d)	Commercial Farmowner Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the mortgage or lien holder	1	1	1	100.00%
60	215 ILCS 5/143.17a(d)	Commercial General Liability Nonrenewals – failed to send exact and unaltered copy of nonrenewal notice to the mortgage or lien holder	28	28	2	7.14%
95	215 ILCS 5/143.19.1(g)	Private Passenger Auto Nonrenewals – failure to provide a 60 day notice of nonrenewal for policies in effect 5 years or more	176	77	2	2.60%
76	215 ILCS 5/143.21a	Homeowner Nonrenewals – nonrenewal based on age of property	90	90	1	1.11%
75	215 ILCS 5/143.21.1	Homeowner Nonrenewals – failure to provide a 60 day notice of nonrenewal for policies in effect 5 years or more	90	90	2	2.22%
14	215 ILCS 5/143.21c	Dwelling Fire New Business – failure to provide notice of earthquake coverage for property located in the New Madrid Seismic Zone	1,525	114	109	95.61%
15	215 ILCS 5/143.21c	Mobile Homeowner New Business – failure to provide notice of earthquake coverage for property located in the New Madrid Seismic Zone	51	51	48	94.12%
17	215 ILCS 5/143.21c	Homeowner New Business – failure to provide notice of earthquake coverage for property located in the New Madrid Seismic Zone	1,336	114	108	94.74%
66	215 ILCS 5/143.21c	Commercial Apartment Owner New Business – failure to provide notice of earthquake coverage for property located in the New Madrid Seismic Zone	24	24	14	58.33%
67	215 ILCS 5/143.21c	Commercial Farm Fire New Business – failure to provide notice of earthquake coverage for property located in the New Madrid Seismic Zone	21	21	9	42.86%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute / Rule	Survey / Description	Population	Files Reviewed	Number of Violations	Error %
89	215 ILCS 5/143.25a	Private Passenger Auto Nonrenewals – failure to provide a notice of the availability of higher deductibles prior to the first renewal	176	77	7	9.09%
77	215 ILCS 5/143.27	Homeowner Nonrenewals – failure to provide a notice of rehabilitation of the property prior to a notice of cancellation or nonrenewal	90	90	2	2.22%
81	215 ILCS 5/143.27	Dwelling Fire 1 st 60 day Cancellations – failure to provide a notice of rehabilitation of the property prior to a notice of cancellation or nonrenewal	29	29	2	6.90%
25	215 ILCS 5/154.6(j)	Private Passenger Auto 1 st Party Paid – establishing unreasonable caps or limits on paint or materials when estimating vehicle repairs	1,040	107	4	3.74%
8	50 Ill. Adm. Code 919.30(c)	Private Passenger Auto Subrogation – file lacks documentation to recreate company’s activities	129	76	4	5.26%
18	50 Ill. Adm. Code 919.30(c)	Private Passenger Auto 1 st Party Total Loss Paid – file lacks documentation to recreate company’s activities	312	82	3	3.66%
28	50 Ill. Adm. Code 919.30(c)	Private Passenger Auto 1 st Party Paid – file lacks documentation to recreate company’s activities	1,040	107	1	0.93%
73	50 Ill. Adm. Code 919.30(c)	All Other Personal Lines Paid – file lacks documentation to recreate company’s activities	32	32	1	3.13%
90	50 Ill. Adm. Code 919.30(c)	All Other Commercial Lines Paid – file lacks documentation to recreate company’s activities	59	59	1	1.69%
16	50 Ill. Adm. Code 919.50(a)(1)	Homeowner Closed Without Payment – failure to provide proper denial letter with explanation clearly setting forth policy term on which denial was based	270	82	1	1.22%
24	50 Ill. Adm. Code 919.50(a)(1)	Private Passenger Auto 1 st Party Paid – failure to provide a written explanation of the reason for lower offer	1,040	107	4	3.74%
72	50 Ill. Adm. Code 919.50(a)(1)	All Other Personal Lines Closed Without Payment – failure to provide the Notice of Availability on denial letter to insured	7	7	1	14.29%
91	50 Ill. Adm. Code 919.50(a)(1)	All Other Commercial Lines Paid – failure to provide a written explanation of the reason for lower offer	59	59	2	3.39%
58	50 Ill. Adm. Code 919.50(a)(2)	Private Passenger Auto 3 rd Party Closed Without Payment – failure to provide denial letter to 3 rd party within 30 days after determination of liability	138	76	1	1.32%

TABLE OF TOTAL VIOLATIONS

Crit #	Statute / Rule	Survey / Description	Population	Files Reviewed	Number of Violations	Error %
10	50 Ill. Adm. Code 919.60(a)	Homeowner Paid – use of term “final” on payment to insured	520	103	1	0.97%
19	50 Ill. Adm. Code 919.80(b)(2)	Private Passenger Auto 1 st Party Total Loss Paid Claims – failure to provide delay letter to 1 st party in 40 days when claim is unresolved	312	82	3	3.66%
26	50 Ill. Adm. Code 919.80(b)(2)	Private Passenger Auto 1 st Party Paid – failure to provide delay letter to 1 st party in 40 days if claim is unresolved	1,040	107	3	2.80%
55	50 Ill. Adm. Code 919.80(b)(3)	Private Passenger Auto 3 rd Party Closed Without Payment – failure to provide 60 day delay letter to 3 rd party	138	76	7	9.21%
6	50 Ill. Adm. Code 919.80(c)	Private Passenger Auto Subrogation – failure to provide minimum of Exhibit A for total loss	129	76	2	2.63%
20	50 Ill. Adm. Code 919.80(c)	Private Passenger Auto 1 st Party Total Losses – failure to provide minimum of Exhibit A for total loss	312	82	8	9.76%
23	50 Ill. Adm. Code 919.80(c)	Private Passenger Auto 1 st Party Paid – failure to provide minimum of Exhibit A for total loss	1,040	107	1	0.93%
7	50 Ill. Adm. Code 919.80(c)(3)(A)(i)	Private Passenger Auto Subrogation – failure to reimburse title and transfer fees	129	76	1	1.32%
21	50 Ill. Adm. Code 919.80(c)(3)(A)(i)	Private Passenger Auto 1 st Party Total Losses – failure to reimburse title and transfer fees	312	82	2	2.44%
1	50 Ill. Adm. Code 926.40(b)(1)	DOI Complaints – failure to address all issues in the complaint	16	16	1	6.25%
3	215 ILCS 5/154.6(a)	DOI Complaints – misrepresenting relevant facts or policy provisions relating to policy coverages	16	16	1	6.25%

II. BACKGROUND

Shelter Mutual Insurance Company

Shelter Mutual Insurance Company was incorporated on August 31, 1945, and was originally named M.F.A. Mutual Insurance Company. It was issued a Certificate of Authority on December 31, 1945, and commenced business on January 1, 1946, as a mutual property and casualty insurance company organized under the laws of the State of Missouri.

The Company's name was changed to Shelter Mutual Insurance Company on July 1, 1981. Shelter's core business continues to be insuring American families and small businesses through captive agents, but on an ever-increasing scale. In its 70 years of operation, Shelter has created or acquired the wholly-owned subsidiary insurance companies Shelter General Insurance Company, Shelter Life Insurance Company, Shelter Reinsurance Company, Haulers Insurance Company Inc., and AmShield Insurance Company, for a domestic footprint of 19 states and reinsurance in more than 60 countries.

2015 NAIC Annual Statement Page 19 (Illinois) reflects the following: NAIC # 23388

	Line	Direct premium written	Direct premium earned	Direct losses paid	Direct losses incurred
01	Fire	\$1,141,098	\$1,127,371	\$612,623	\$677,984
02.1	Allied lines	\$1,253,820	\$1,130,719	\$378,668	\$347,242
03	Farmowners multiple peril	\$560,769	\$551,868	\$120,611	\$135,757
04	Homeowners multiple peril	\$9,492,794	\$9,212,909	\$4,091,262	\$5,052,255
05.1	Commercial multiple peril (non-liability portion)	\$366,773	\$371,457	\$200,369	\$256,781
05.2	Commercial multiple peril (liability portion)	\$45,767	\$47,767	\$22,659	\$28,761
09	Inland marine	\$223,709	\$205,506	\$43,923	\$65,686
12	Earthquake	\$343,137	\$337,374	\$0	\$0
17.1	Other liability - occurrence	\$478,492	\$466,275	\$67,583	\$66,090
18	Product liability	\$3,568	\$6,430	\$0	\$0
19.2	Other private passenger auto liability	\$10,636,418	\$10,588,247	\$5,359,747	\$6,826,769
19.4	Other commercial auto liability	\$15,435	\$15,939	\$2,740	\$4,458
21.1	Private passenger auto physical damage	\$8,341,263	\$8,291,621	\$5,830,879	\$5,833,153
21.2	Commercial auto physical damage	\$6,830	\$7,099	\$4,847	\$4,805
26	Burglary & theft	\$21,664	\$19,538	\$0	\$24
35	Total	\$32,931,537	\$32,380,120	\$16,735,911	\$19,299,765

III. 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.

- I. Risk Selection
- II. Underwriting
- III. Claims
- IV. Complaints
- V. Producer Licensing

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 Illinois 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 and nonrenewals of existing policy holders were requested on the basis of the effective date of the transaction falling within the period under examination. Cancellations and nonrenewals were reviewed for their compliance with statutory requirements, the accuracy and validity of reasons given and for any possible discrimination.

Underwriting

The underwriting of new applicants for coverage with the Company was selected based on the inception date of the policy falling within the period under examination. New policies were reviewed for rating accuracy, use of filed rates, use of filed forms, for compliance with Company underwriting guidelines and to ensure that the coverage provided was as requested by the applicant.

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 Title 50 of the Illinois Administrative Code (50 Ill. Adm. Code 101 *et seq.*).

Complaints

Complaints were reviewed for completion, accuracy and validity of the complaint based on complaints both received by the Department of Insurance and by the Company directly during the examination experience period.

Producer Licensing

Producer terminations and licensing were reviewed for their compliance with statutory requirements.

IV. SELECTION OF SAMPLE

Survey	Population	# Reviewed	% Reviewed
Risk Selection			
Private Passenger Automobile Cancellations	6,004	314	5.23%
Private Passenger Automobile Nonrenewals	176	77	43.75%
Homeowner Cancellations	295	108	36.61%
Homeowner Nonrenewals	90	90	100.00%
Dwelling Fire Cancellations	148	148	100.00%
Dwelling Fire Nonrenewals	74	74	100.00%
Mobile Homeowner Cancellations	27	27	100.00%
Mobile Homeowner Nonrenewals	5	5	100.00%
Personal Inland Marine Cancellations	10	10	100.00%
Personal Inland Marine Nonrenewals	13	13	100.00%
Boat Owner Nonrenewals	4	4	100.00%
Personal Umbrella Nonrenewals	7	7	100.00%
Commercial Automobile Cancellations	71	71	100.00%
Commercial Automobile Nonrenewals	3	3	100.00%
Commercial Farm Owner Cancellations	14	14	100.00%
Commercial Farm Owner Nonrenewals	1	1	100.00%
Commercial General Liability Cancellations	148	148	100.00%
Commercial General Liability Nonrenewals	28	28	100.00%
Commercial Fire Cancellations	16	16	100.00%
Commercial Fire Nonrenewals	2	2	100.00%
Commercial Cargo Cancellations	4	4	100.00%
Commercial Cargo Nonrenewals	1	1	100.00%
Commercial Comp Farm Liability Cancellations	3	3	100.00%
Commercial Office and Retail Cancellations	5	5	100.00%
Commercial Inland Marine Cancellations	7	7	100.00%
Commercial Farm Fire Cancellations	5	5	100.00%
Commercial Apartment Owner Cancellations	46	46	100.00%
Underwriting			
Private Passenger Automobile New Business	5,224	114	2.18%
Private Passenger Automobile Renewals	47,287	116	0.25%
Homeowner New Business	1,336	114	8.53%
Homeowner Renewals	11,717	116	0.99%
Dwelling Fire New Business	1,525	114	7.48%
Dwelling Fire Renewals	5,551	116	2.09%
Mobile Homeowner New Business	51	51	100.00%
Mobile Homeowner Renewals	838	113	13.48%

Boat Owner Renewals	790	113	14.30%
Commercial Automobile New Business	81	81	100.00%
Commercial Apartment Owner New Business	24	24	100.00%
Commercial Fire New Business	39	39	100.00%
Commercial Farm Fire New Business	21	21	100.00%
Claims			
Private Passenger Automobile 1 st Party Paid	1,040	107	10.29%
Private Passenger Automobile 1 st Party CWP	391	82	20.97%
Private Passenger Automobile 3 rd Party Paid	963	105	10.90%
Private Passenger Automobile 3 rd Party CWP	138	76	55.07%
Motorcycle 1 st Party Paid	20	20	100.00%
Motorcycle 1 st Party CWP	3	3	100.00%
Private Passenger Automobile Subrogation	129	76	58.91%
Motorcycle Subrogation	3	3	100.00%
Private Passenger Automobile 1 st Party Total Loss	312	82	26.28%
Private Passenger Automobile 3 rd Party Total Loss	126	76	60.32%
Motorcycle 1 st Party Total Loss	5	5	100.00%
Homeowner Paid	520	103	19.81%
Homeowner CWP	270	82	30.37%
All Other Residential Lines Paid	142	76	53.52%
All Other Residential Lines CWP	82	82	100.00%
All Other Personal Lines Paid	32	32	100.00%
All Other Personal Lines CWP	7	7	100.00%
All Other Commercial Lines Paid	59	59	100.00%
Complaints			
Department Complaints	16	16	100.00%
Consumer Complaints	58	58	100.00%
Producer Review			
Producer Terminations	0	0	N/A
Producer Licensing	158	79	50.00%

V. FINDINGS

A. Risk Selections

1. Private Passenger Automobile Cancellations

In three (3) Private Passenger Automobile 1st 60 day Cancellation files (3.45% of the 87 policy files reviewed) the Company failed to provide a cancellation notice to the insured in violation of 215 ILCS 5/143.14(a). (Criticism # 61)

In one (1) Private Passenger Automobile Mid-Term Cancellation file (0.88% of the 114 policy files reviewed) the Company failed to provide the required 10 day notice before cancelling the policy for nonpayment of premium in violation of 215 ILCS 5/143.15. (Criticism # 80)

In two (2) Private Passenger Automobile Non-pay Cancellation files (1.77% of the 113 policy files reviewed) the Company failed to provide the required 10 day notice before cancelling the policy for nonpayment of premium in violation of 215 ILCS 5/143.15. (Criticism # 82)

2. Private Passenger Automobile Nonrenewals

In two (2) Private Passenger Automobile Nonrenewal files (2.60% of the 77 policy files reviewed) the Company failed to provide the required 60 day notice prior to cancellation of private passenger automobile policies in effect or renewed for five (5) or more years in violation of 215 ILCS 5/143.19.1(g). (Criticism # 95)

In 17 Private Passenger Automobile Nonrenewal files (22.08% of the 77 policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17(a). (Criticism # 96)

3. Homeowner Cancellations

In four (4) Homeowner Mid-Term Cancellation files (4.49% of the 89 policy files reviewed) the Company failed to provide the required 10 day notice before cancelling the policy for nonpayment of premium in violation of 215 ILCS 5/143.15. (Criticism # 86)

4. Homeowner Nonrenewals

In two (2) Homeowner Nonrenewal files (2.22% of the 90 policy files reviewed) the Company failed to provide the required 60 day notice prior to the nonrenewal of homeowner policies in effect or renewed for five (5) or more years in violation of 215 ILCS 5/143.21.1. (Criticism # 75)

In one (1) Homeowner Nonrenewal file (1.11% of the 90 policy files reviewed) the Company reason for nonrenewing the policy was based on the age of the property in violation of 215 ILCS 5/143.21a. (Criticism # 76)

In two (2) Homeowner Nonrenewal files (2.22% of the 90 policy files reviewed) the Company failed to provide the insured a reasonable period of time in which to repair defects in the insured property or relevant portion thereof, to an extent reasonably sufficient to facilitate continued coverage thereon, prior to giving the insured a notice of cancellation or nonrenewal in violation of 215 ILCS 5/143.27. (Criticism # 77)

5. Dwelling Fire Cancellations

In two (2) Dwelling Fire 1st 60 day Cancellation files (6.90% of the 29 policy files reviewed) the Company failed to provide the insured a reasonable period of time in which to repair defects in the insured property or relevant portion thereof, to an extent reasonably sufficient to facilitate continued coverage thereon, prior to giving the insured a notice of cancellation or nonrenewal in violation of 215 ILCS 5/143.27. (Criticism # 81)

In four (4) Dwelling Fire Mid-Term Cancellation files (3.36% of the 119 policy files reviewed) the Company failed to provide the required 10 day notice before cancelling the policy for nonpayment of premium in violation of 215 ILCS 5/143.15. (Criticism # 88)

6. Dwelling Fire Nonrenewals

No criticisms were found in the survey.

7. Mobile Homeowner Cancellations

In one (1) Mobile Homeowner 1st 60 Days Cancellation file (4.17% of the 24 policy files reviewed) the Company failed to provide the required 10 day notice before cancelling the policy for nonpayment of premium in violation of 215 ILCS 5/143.15. (Criticism # 92)

8. Mobile Homeowner Nonrenewals

In three (3) Mobile Homeowner Nonrenewal files (60.00% of the five (5) policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17(a). (Criticism # 71)

9. Personal Inland Marine Cancellations

No criticisms were found in the survey.

10. Personal Inland Marine Nonrenewals

No criticisms were found in the survey.

11. Boat Owner Nonrenewals

In one (1) Boat Owner Nonrenewal file (25.00% of the four (4) policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17(a). (Criticism # 68)

12. Personal Umbrella Nonrenewals

No criticisms were found in the survey.

13. Commercial Automobile Cancellations

In four (4) Commercial Automobile 1st 60 day Cancellation files (100.00% of the four (4) policies reviewed) the Company failed to provide the loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 32)

14. Commercial Automobile Nonrenewals

In one (1) Commercial Automobile Nonrenewal file (33.33% of the three (3) files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17a(d). (Criticism # 46)

In two (2) Commercial Automobile Nonrenewal files (66.67% of the three (3) files reviewed) the Company failed to provide the required loss information with the notice of nonrenewal in violation of 215 ILCS 5/143.10a(1). (Criticism # 47)

15. Commercial Farm Owner Cancellations

In three (3) Commercial Farm Owner 1st 60 Day Cancellation files (100.00% of the three (3) policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 36)

In one (1) Commercial Farm Owner 1st 60 Day Cancellation file (33.33% of the 3 policy files reviewed) the Company failed to provide the mortgage or lien holder with a copy of the notice of cancellation in violations of 215 ILCS 5/143.14(a). (Criticism # 37)

16. Commercial Farm Owner Nonrenewals

In one (1) Commercial Farm Owner Nonrenewal file (100.00% of the policy files reviewed) the Company failed to provide the required loss information with the notice of nonrenewal in violation of 215 ILCS 5/143.10a(1). (Criticism # 50)

In one (1) Commercial Farm Owner Nonrenewal file (100.00% of the policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17a(d). (Criticism # 51)

17. Commercial General Liability Cancellations

In eight (8) Commercial General Liability 1st 60 Day Cancellation files (47.06% of the 17 policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 40)

In one (1) Commercial General Liability 1st 60 Day Cancellation file (5.88% of the 17 policy files reviewed) the Company failed to provide a specific reason for cancellation to the named insured in violation of 215 ILCS 5/143.16. (Criticism # 42)

In two (2) Commercial General Liability Mid-Term Cancellation files (5.00% of the 40 policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 62)

18. Commercial General Liability Nonrenewals

In two (2) Commercial General Liability Nonrenewal files (7.14% of the 28 policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17a(d). (Criticism # 60)

19. Commercial Fire Cancellations

No criticisms were found in the survey.

20. Commercial Fire Nonrenewals

In two (2) Commercial Fire Nonrenewal files (100.00% of the two (2) policy files reviewed) the Company failed to provide the required loss information with the notice of nonrenewal in violation of 215 ILCS 5/143.10a(1). (Criticism # 48)

In one (1) Commercial Fire Nonrenewal file (50.00% of the two (2) policy files reviewed) the Company failed to provide an exact and unaltered copy of the notice of nonrenewal to the lien holder in violation of 215 ILCS 5/143.17a(d). (Criticism # 49)

21. Commercial Cargo Cancellations

In one (1) Commercial Cargo Mid-Term Cancellation file (33.33% of the three (3) policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 65)

22. Commercial Cargo Nonrenewals

No criticisms were found in the survey.

23. Commercial Comp Farm Liability Cancellations

In one (1) Commercial Comp Farm Liability 1st 60 Day Cancellation file (100.00% of the one (1) policy file reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 34)

24. Commercial Office and Retail Cancellations

In two (2) Commercial Office and Retail 1st 60 Day Cancellation files (100.00% of the two (2) policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 84)

25. Commercial Inland Marine Cancellations

In one (1) Commercial Inland Marine 1st 60 Day Cancellation file (100.00% of policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 44)

26. Commercial Farm Fire Cancellations

No criticisms were found in the following survey.

27. Commercial Apartment Owner Cancellations

In two (2) Commercial Apartment Owner 1st 60 Day Cancellations files (100.00% of the two (2) policy files reviewed) the Company failed to provide the required loss information with the notice of cancellation in violation of 215 ILCS 5/143.10a(1). (Criticism # 30)

B. Underwriting

1. Private Passenger Automobile New Business

No criticisms were found in the following survey.

2. Private Passenger Automobile Renewals

In seven (7) Private Passenger Automobile Renewal files (9.09% of the 77 policy files reviewed) the Company failed to provide the insured a notice prior to the first renewal of the policy of the availability of higher deductibles for collision and comprehensive coverage that could result in a premium savings in violation of 215 ILCS 5/143.25a. (Criticism # 89)

3. Homeowner New Business

In 108 Homeowner New Business files (94.74% of the 114 Homeowner New Business policies reviewed) the Company failed to provide the insured with a notice of availability of insurance coverage for a loss caused by earthquake for property located in the New Madrid Seismic Zone, as defined by the United States geological survey in Illinois in violation of 215 ILCS 5/143.21c. (Criticism # 17)

4. Homeowner Renewals

No criticisms were found in the survey.

5. Dwelling Fire New Business

In 109 Dwelling Fire New Business files (95.61% of the 114 policy files reviewed) the Company failed to provide the insured with a notice of availability of insurance coverage for a loss caused by earthquake for property located in the New Madrid Seismic Zone, as defined by the United States geological survey in Illinois in violation of 215 ILCS 5/143.21c. (Criticism # 14)

6. Dwelling Fire Renewals

No criticisms were found in the survey.

7. Mobile Homeowner New Business

In 48 Mobile Homeowner New Business files (94.12% of the 51 policy files reviewed) the Company failed to provide the insured with a notice of availability of insurance coverage for a loss caused by earthquake for property located in the New Madrid Seismic Zone, as defined by the United States geological survey in Illinois in violation of 215 ILCS 5/143.21c. (Criticism # 15)

8. Mobile Homeowner Renewals

No criticisms were found in the survey.

9. Boat Owner Renewals

No criticisms were found in the survey.

10. Commercial Automobile New Business

In one (1) Commercial Automobile New Business file (1.23% of the 81 policy files reviewed) the Company failed to obtain a signed waiver for the rejection of increased uninsured motorist coverage limits in violation of 215 ILCS 5/143a-2(2). (Criticism # 85)

11. Commercial Apartment Owner New Business

In 14 Commercial Apartment Owner New Business files (58.33% of the 24 policy files reviewed) the Company failed to provide the insured with a notice of availability of insurance coverage for a loss caused by earthquake for property located in the New Madrid Seismic Zone, as defined by the United States geological survey in Illinois in violation of 215 ILCS 5/143.21c. (Criticism # 66)

12. Commercial Farm Fire New Business

In nine (9) Commercial Farm Fire New Business files (42.86% of the 21 policy files reviewed) the Company failed to provide the insured with a notice of availability of insurance coverage for a loss caused by earthquake for property located in the New Madrid Seismic Zone, as defined by the United States geological survey in Illinois in violation of 215 ILCS 5/143.21c. (Criticism # 67)

13. Commercial Farm Fire Renewals

No criticisms were found in the survey.

C. Claims

1. Private Passenger Automobile First Party Paid and Median

The median payment period was 9 days distributed as follows:

Days	Number	Percentage
0-30	97	91%
31-60	9	8%
61-90	1	1%
91-180	0	0%
181-365	0	0%
Over 365	0	0%
Total	107	100.00%

In one (1) claim file (0.93% of the 107 claim files reviewed) the Company failed to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss in violation of 50 Ill. Adm. Code 919.80(c). (Criticism # 23)

In four (4) claim files (3.74% of the 107 claim files reviewed) the Company failed to provide a written explanation of the basis of the lower offer with Notice of Availability of the Department within 30 days after the investigation and determination of liability is completed in violation of 50 Ill. Adm. Code 919.50(a)(1). (Criticism # 24)

In four (4) claim files (3.74% of the 107 claim files reviewed) the Company was in violation of 215 ILCS 5/154.6(j) for establishing unreasonable caps or limits on paint or materials when estimating vehicle repairs. (Criticism # 25)

In three (3) claim files (2.80% of the 107 claim files reviewed) the Company failed to provide the insured a delay letter if a first party physical damage automobile claim remains unresolved for 40 calendar days from the date of report in violation of 50 Ill. Adm. Code 919.80(b)(2). (Criticism # 26)

In one (1) claim file (0.93% of the 107 claim files reviewed) the Company failed to reimburse the full pro rata deductible share to the insured as soon as such amount is collected from a third party by means of installments in violation of 215 ILCS 5/143b. (Criticism # 27)

In one (1) claim file (0.93% of the 107 claim files reviewed) the claim file failed to contain documentation to recreate the Company's activities in violation of 50 Ill. Adm. Code 919.30(c). (Criticism # 28)

2. Private Passenger Automobile First Party Closed Without Payment

No criticisms were found in the survey.

3. Private Passenger Automobile Third Party Paid and Median

The median payment period was 28 days distributed as follows:

Days	Number	Percentage
0-30	59	54%
31-60	29	27%
61-90	13	12%
91-180	7	6%
181-365	1	1%
Over 365	0	0%
Total	109	100.00%

No criticisms were found in the survey.

4. Private Passenger Automobile Third Party Closed Without Payment

In seven (7) claim files (9.21% of the 76 claim files reviewed) the Company failed to provide a reasonable written explanation for the delay to the third party claimant for claims unresolved in excess of 60 calendar days in violation of 50 Ill. Adm. Code 919.80(b)(3). (Criticism # 55)

In one (1) claim file (1.32% of the 76 claim files reviewed) the Company failed to provide the claimant with a basis for the denial letter in violation of 50 Ill. Adm. Code 919.50(a)(2). (Criticism # 58)

5. Private Passenger Automobile Subrogation

In three (3) claim files (3.95% of the 76 claim files reviewed) the Company failed to reimburse the full pro rata deductible share to the insured as soon as such amount is collected from a third party by means of installments in violation of 215 ILCS 5/143b. (Criticism # 5)

In two (2) claim files (2.63% of the 76 claim files reviewed) the Company failed to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss in violation of 50 Ill. Adm. Code 919.80(c). (Criticism # 6)

In one (1) claim file (1.32% of the 76 claim files reviewed) the Company failed to issue payment for the reimbursement of the title and transfer fees when the insured provided proof of replacing the vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). During the exam, the Company provided the payment of \$120.00 made payable to the insured and the payment was mailed by the examiner. (Criticism # 7)

In four (4) claim files (5.26% of the 76 claim files reviewed) the files failed to contain documentation to recreate the Company's activities in violation of 50 Ill. Adm. Code 919.30(c). (Criticism # 8)

6. Private Passenger Automobile First Party Total Loss

In three (3) claim files (3.66% of the 82 claim files reviewed) the files failed to contain documentation to recreate the Company's activities in violation of 50 Ill. Adm. Code 919.30(c). (Criticism # 18)

In three (3) claim files (3.66% of the 82 claim files reviewed) the Company failed to provide the insured a delay letter when a first party physical damage automobile claim remained unresolved for 40 calendar days from the date of report loss in violation of 50 Ill. Adm. Code 919.80(b)(2). (Criticism # 19)

In eight (8) claim files (9.76% of the 82 claim files reviewed) the Company failed to provide the insured with, at a minimum, the information contained in Exhibit A within 7 days of declaring the vehicle a total loss in violation of 50 Ill. Adm. Code 919.80(c). (Criticism # 20)

In two (2) claim files (2.44% of the 82 claim files reviewed) the Company failed to issue payment for the reimbursement of the title and transfer fees when the insured provided proof of replacing the vehicle in violation of 50 Ill. Adm. Code 919.80(c)(3)(A)(i). In one (1) claim the Company underpaid the sales tax amount by \$13.30 and in one (1) claim the Company paid the sales tax but did not pay title and transfer fees of \$120.00 to the insured. A total underpayment of \$133.30 remains outstanding. (Criticism # 21)

7. Private Passenger Automobile Third Party Total Loss

No criticisms were found in the survey.

8. Homeowner Paid and Median

The median payment period was 26 days distributed as follows:

Days	Number	Percentage
0-30	55	53%
31-60	19	18%
61-90	10	10%
91-180	12	12%
181-365	5	5%
Over 365	2	2%
Total	103	100.00%

In one (1) claim file (0.97% of the 103 claim files reviewed) the Company issued a payment to the insured that included the term “Final” in violation of 50 Ill. Adm. Code 919.60(a). (Criticism # 10)

9. Homeowner Closed Without Payment

In one (1) claim file (1.22% of the 82 claim files reviewed) the Company failed to provide a proper denial letter that included an explanation that clearly set forth the policy definition, limitation, exclusion or condition upon which the denial is based in violation of 50 Ill. Adm. Code 919.50(a)(1). (Criticism # 16)

10. Motorcycle First Party Paid

No criticisms were found in the survey.

11. Motorcycle First Party Closed Without Payment

No criticisms were found in the survey.

12. Motorcycle First Party Total Loss

No criticisms were found in the survey.

13. Motorcycle Subrogation

No criticisms were found in the survey.

14. All Other Personal Lines Paid

In one (1) claim file (3.13% of the 32 files reviewed) the files failed to contain documentation to recreate the Company’s activities in violation of 50 Ill. Adm. Code 919.30(c). (Criticism # 73)

15. All Other Personal Lines Closed Without Payment

In one (1) claim file (14.29% of the seven (7) claim files reviewed) the Company failed to include the Notice of Availability of the Department of Insurance on the denial letter to the insured in violation of 50 Ill. Adm. Code 919.50(a)(1). (Criticism # 72)

16. All Other Residential Lines Paid

The median payment period was 14 days distributed as follows:

Days	Number	Percentage
0-30	55	71%
31-60	5	7%
61-90	5	7%
91-180	8	10%
181-365	3	4%
Over 365	1	1%
Total	77	100.00%

No criticisms were found in the survey.

17. All Other Residential Lines Closed Without Payment

No criticisms were found in the survey.

18. All Other Commercial Lines Paid

In one (1) claim file (1.69% of the 59 claim files reviewed) the files failed to contain documentation to recreate the Company's activities in violation of 50 Ill. Adm. Code 919.30(c). (Criticism # 90)

In two (2) claim files (3.39% of the 59 claim files reviewed) the Company failed to provide a proper denial letter that included a reasonable written explanation of the basis for the lower offer that clearly set forth the policy definition, limitation, exclusion or condition upon which the partial denial is based with the Notice of Availability of the Department of Insurance in violation of 50 Ill. Adm. Code 919.50(a)(1). (Criticism # 91)

D. Policyholder Service

1. Department Complaints

In one (1) Department of Insurance Complaint (6.25% of the 16 DOI Complaints reviewed) the Company failed to address all issues brought forth in the complaint by the insured, specifically the premiums retained by the Company, in violation of 50 Ill. Adm. Code 926.40(b)(1). The Company improperly denied a second claim based on the assertion that a residence was vacant, while remediation was underway for a prior unrelated claim and the normal occupants were not living in the residence for safety reasons due to that remediation. (Criticism # 1)

In one (1) Department of Insurance Complaint (6.25% of the 16 DOI Complaints reviewed) the Company misrepresented relevant facts and policy provisions relating to coverages in violation of 215 ILCS 5/154.6(a). (Criticism # 3)

2. Consumer Complaints

No criticisms were found in the survey.

3. Producer Licensing

No criticisms were found in the survey.

VI. INTERRELATED FINDINGS

1. Right of Recourse document (a.k.a. Exhibit A) – the company is following Ill. Adm. Code 919.80(c) as it is written and providing a document to the insured that satisfies the requirement of Exhibit A for a total loss vehicle. The company consistently uses CCC ONE Market Valuation Reports to determine the settlement amounts for total loss vehicles.

In Interrogatory #1 the Company confirmed in their response that a copy of the vehicle evaluation the company requests and receives from CCC ONE and uses to pay a settlement amount for the first party total loss vehicle is not provided to the first party insured at the time of settlement. The Company confirms a copy is not provided to the third party claimant at the time of settlement after declaring the third party claimant's vehicle a total loss.

The Company should provide a copy of the CCC ONE evaluation that verifies the amount paid for a total loss vehicle to all first party insureds and third party claimants to support any settlement payment to either party made for a total loss vehicle.

2. The Company provided a copy of rating documents used to underwrite Private Passenger Automobile New Business in Illinois. The rating documents included one territory that did not have the same bodily injury rate as other territories in Chicago, but included zip code 60666 that is located within the City of Chicago in violation of 215 ILCS 5/155.17. There were no policies affected since the Company did not write any business in zip code 60666.

STATE OF ILLINOIS)
) ss
COUNTY OF SANGAMON)

Ron Cochran, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Acting Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Shelter Mutual Insurance Company, (the "Company"), NAIC 23388.

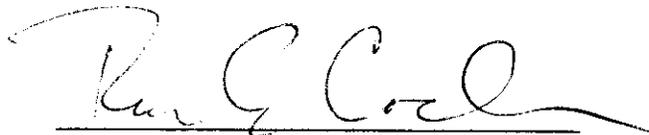
That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish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

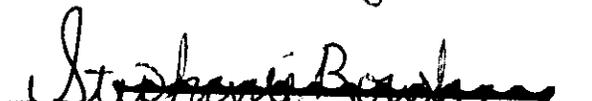
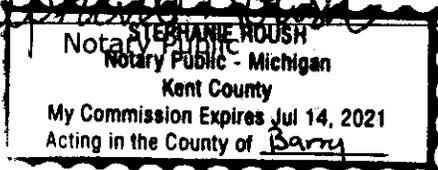
That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

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;

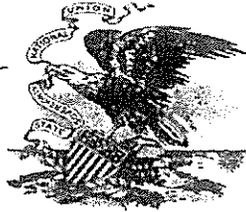
That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance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


Examiner-In-Charge

Subscribed and sworn to before me
this 17th day of August, 2017

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

**SHELTER MUTUAL INSURANCE COMPANY
1817 WEST BROADWAY
COLUMBIA, CO 65218**

STIPULATION AND CONSENT ORDER

WHEREAS, the 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, Shelter Mutual Insurance Company (“the Company”), NAIC 23388, 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, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, 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.*), the Worker’s Compensation Act (820 ILCS 305/1 *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 their 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, they waive 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 policies and procedures whereby the Company shall provide loss information for the three (3) previous policy years to the insured at the same time as the notice of cancellation or nonrenewal as required by and outlined in 215 ILCS 5/143.10a(1).
2. Institute and maintain policies and procedures whereby the Company shall inform applicants for coverage on property located in the New Madrid Seismic Zone of the availability of insurance for loss caused by earthquake as required by 215 ILCS 5/143.21c.
3. Institute and maintain policies and procedures whereby the Company informs automobile policyholders, prior to the first renewal, that they could purchase such renewal at a premium savings for collision and comprehensive coverage if higher deductibles are purchased as is required by 215 ILCS 5/143.25a.
4. Institute and maintain policies and procedures whereby the Company shall provide the claimant with a reasonable written explanation for the delay when a third party claim remains unresolved for more than 60 calendar days from the date it is reported as required by 50 Ill. Adm. Code 919.80(b)(3).
5. Institute and maintain policies and procedures whereby the Company shall provide the insured with, at a minimum, the information contained in Exhibit A, within seven (7) days of determination of the total loss as required by 50 Ill. Adm. Code 919.80(c).
6. Institute and maintain policies and procedures whereby the Company shall ensure claims are settled for a reasonable amount by not placing unreasonable caps or limits on paint materials as required by 215 ILCS 5/154.6(j).
7. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above six (6) orders within 30 days of execution of this Order.
8. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$32,700 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 **SHELTER MUTUAL INSURANCE COMPANY**

Rick Meaws

Signature

Rick Meaws

Name

Chief Executive Officer

Title

Subscribed and sworn to before me this

30th day of *January* 2018.

Lori Westhoelter
Notary Public

LORI WESTHOELTER
Notary Public - Notary Seal
STATE OF MISSOURI
County of Boone
My Commission Expires 6/29/2019
Commission # 15421159

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE *2/13/18*

Jennifer Hammer
Jennifer Hammer
Director

