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**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Infinity Insurance Companies  
11700 Great Oaks Way  
Alpharetta, GA 30022

RE: Infinity Auto Insurance Co. (NAIC #11738)  
Infinity Assurance Co. (NAIC #39497)  
Missouri Market Conduct Examination #0808-14-TGT

**STIPULATION OF SETTLEMENT  
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Infinity Insurance Companies, including Infinity Auto Insurance Co. (NAIC #11738) and Infinity Assurance Co. (NAIC #39497) (hereafter collectively referred to as "Infinity"), as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, Infinity has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of Infinity and prepared report number 0808-14-TGT; and

WHEREAS, the report of the Market Conduct Examination revealed that:

1. In some instances, Infinity failed to maintain its books, records, documents, and other business records and to provide relevant materials, files, and documentation, including copies of completed applications, in such a way to allow the examiners to sufficiently ascertain the underwriting and rating practices of the Company, thereby violating 20 CSR 300-2.200(3)(A) (as amended, 20 CSR 100-8.040(3)(A), eff. 7/30/08).

2. In some instances, Infinity failed to document a copy of a Missouri sales tax affidavit relating to total loss vehicles in files, as required by §144.027, RSMo, and 20 CSR 300-2.200(3)(B)3., (as amended 20 CSR 100-8.040(3)(B)3., eff. 7/30/08).

3. Infinity failed to document that it provided all of the claim forms, instructions and reasonable assistance to the insured within 10 working days after receiving the notice of the claim, as required by 20 CSR 100-1.030(3).

WHEREAS, Infinity hereby agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. Infinity agrees to take corrective action to assure that the errors noted in the above-referenced market conduct examination reports do not recur;

2. Infinity agrees to implement a plan or program to enable itself to access or produce crucial documents, including policy applications and related documents, for its Missouri business within 90 days of the entry of a final Order closing this examination. A detailed description of the plan to be implemented in Missouri shall be filed with the Director within 60 days of the entry of a final Order closing this examination; and

3. Infinity agrees to file documentation of all remedial actions taken by it to implement compliance with the terms of this Stipulation and to assure that the errors noted in the examination report do not recur, including explaining the steps taken and the results of such actions, with the Director within 60 days of the entry of a final Order closing this examination.

WHEREAS, Infinity is of the position that this Stipulation of Settlement and Voluntary Forfeiture is a compromise of disputed factual and legal allegations, and that payment of a forfeiture is merely to resolve the disputes and avoid litigation; and

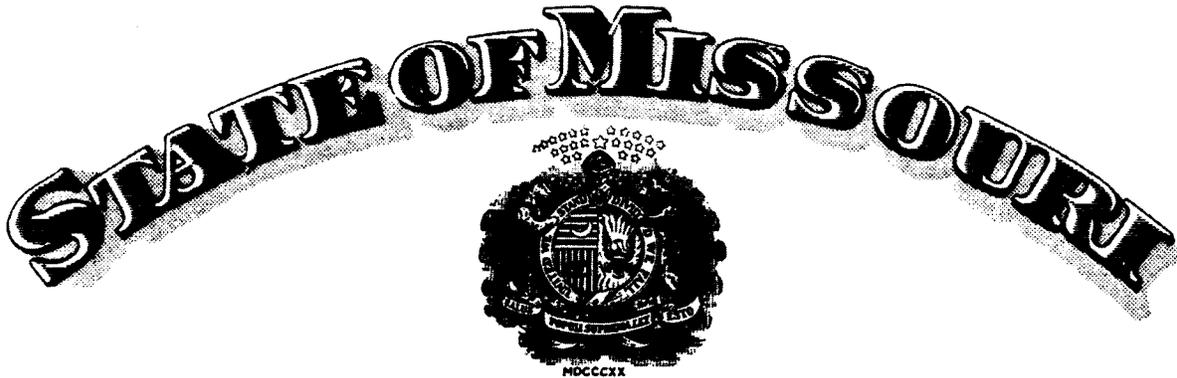
WHEREAS, Infinity, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Infinity hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0808-14-TGT further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$36,147.50.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Infinity to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Infinity does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$36,147.50, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 10-26-2007

  
\_\_\_\_\_  
President  
Infinity Insurance Companies



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

In re: )  
 ) Examination No. 0808-14-TGT  
Infinity Auto Insurance Co. (NAIC #11738) and )  
Infinity Assurance Co. (NAIC #39497) )

**ORDER OF THE DIRECTOR**

NOW, on this 30<sup>th</sup> day of November, 2009, Director John M. Huff, after consideration and review of the market conduct examination report of Infinity Auto Insurance Co. (NAIC #11738) and Infinity Assurance Co. (NAIC #39497), (hereafter referred to as "Infinity") report numbered 08018-14-TGT, prepared and submitted by the Division of Insurance Market Regulation pursuant to §374.205.3(3)(a), RSMo, and the Stipulation of Settlement and Voluntary Forfeiture ("Stipulation") does hereby adopt such report as filed. After consideration and review of the Stipulation, report, relevant workpapers, and any written submissions or rebuttals, the findings and conclusions of such report is deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4), RSMo.

This order, issued pursuant to §§374.205.3(4) and 374.280, RSMo and §374.046.15. RSMo (Cum. Supp. 2008), is in the public interest.

IT IS THEREFORE ORDERED that Infinity and the Division of Insurance Market Regulation have agreed to the Stipulation and the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Infinity shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Infinity in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times.

IT IS FURTHER ORDERED that Infinity shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$36,147.50, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 30<sup>th</sup> day of NOVEMBER, 2009.

  
John M. Huff  
Director



RECEIVED  
JUL 16 2009  
DEPT OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION

July 15, 2009

**VIA OVERNIGHT DELIVERY and E-MAIL**

Ms. Carolyn H. Kerr, Esq.  
Senior Counsel  
Market Conduct Section  
Missouri Department of Insurance, Financial Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65102-0690

**RE: Missouri Market Conduct Examination #0808-14-TGT  
Infinity Auto Insurance Company (NAIC # 11738)  
Infinity Assurance Company (NAIC # 39497)**

Dear Ms. Kerr:

On behalf of Infinity Auto Insurance Company and Infinity Assurance Insurance Company (jointly and individually the "Company"), please allow this letter to serve as our response to the Missouri Market Conduct Examination Report #0808-14-TGT (the "Report"), which was received with your cover letter dated June 16, 2009. We respectfully submit our individual responses to the Findings appearing in the Report as indicated below.

**I. UNDERWRITING AND RATING PRACTICES**

**A. Infinity Auto Policies Active**

**Findings**

1. Of the 20 policies files found in error for failing to contain the actual completed applications, 10 of the policies were written through Brooke insurance agencies which operated under records maintenance agreements with the Company. The financial collapse of these Brooke insurance agencies rendered the Company's attempts to obtain the applications in issue from these agencies ineffectual. While the Company accepts the examiner's findings, it asks that this factor be taken into consideration in the resolution of this item.

**B. Infinity Assurance Policies Active**

**Findings**

1. Of the 10 policies files found in error for failing to contain the actual completed applications, 5 of the policies were written through Brooke insurance agencies which operated under records maintenance agreements with the Company. The financial collapse of these Brooke insurance agencies rendered the Company's attempts to obtain the applications in issue from these agencies ineffectual. While the Company accepts the examiner's findings, it asks that this factor be taken into consideration in the resolution of this item.

2. – 4. While the Company accepts these findings of one overcharge for which a refund was

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issued to the consumer (please see attached) and two undercharges of policy premium, the Company disagrees with the suggestion that these three instances, out of 100 policy files sampled by the examiners, of the failure to use the correct rates (rate validators) for the applicable policy period is indicative of a general business practice to engage in this type of conduct. The Report seems to suggest this by combining findings 1. – 4. (which represent two distinct practices) for a found error rate of 13.0%. The Company respectfully requests that Findings 2. – 4. be treated separately from Findings 1. and the Report be revised to indicate a found error rate of 3.0% for Findings 2. – 4.

### **III. CLAIMS HANDLING PRACTICES**

#### **A. Infinity Auto Physical Damage Claims Paid**

##### **Findings**

1. The Company accepts this finding that 19 claims files failed to document a copy of a Missouri sales tax affidavit concerning the insured or claimant's total loss vehicle. The Company has reviewed applicable Missouri law with its claims staff to ensure that Missouri sales tax affidavits are retained with the claim file. The Company will also undertake an independent review of all total loss claims that arose after the dates of this market conduct examination to ensure compliance with Missouri law in this regard.

#### **B. Infinity Assurance Auto Physical Damage Claims Paid**

##### **Findings**

1. The Company accepts this finding that 14 claims files failed to document a copy of a Missouri sales tax affidavit concerning the insured or claimant's total loss vehicle. The Company has reviewed applicable Missouri law with its claims staff to ensure that Missouri sales tax affidavits are retained with the claim file. The Company will also undertake an independent review of all total loss claims that arose after the dates of this market conduct examination to ensure compliance with Missouri law in this regard.

#### **J. Infinity Assurance Subrogation Claims Paid**

##### **Findings**

1. The Company accepts this finding that in one instance the claim file failed to document that the insured was accurately paid the pro-rata deductible recovery, resulting in a \$90.00 claim underpayment. A draft was issued to the insured for the remaining balance of \$90.00 plus 9% interest as per Missouri law for a total of \$101.67. Please see attached.

#### **K. Infinity Auto Total Loss Claims Paid**

##### **Findings**

1. The Company accepts this finding that in one instance the claim file failed to document a copy of a Missouri sales tax affidavit concerning the insured's total loss vehicle. The Company has reviewed applicable Missouri law with its claims staff to ensure that Missouri sales tax affidavits are retained with the claim file. The Company will also undertake an independent review of all total loss claims that arose after the dates of this market conduct examination to ensure compliance with Missouri law in this regard.

## **CLAIMS CLOSED WITHOUT PAYMENT (CWP)**

### **A. Infinity Auto Physical Damage Claims CWP**

#### **Findings**

1. The Company disagrees with the categorization of this finding as a violation of Missouri law (§ 374.205.2 (2) RSMo) and requests that it be withdrawn.

The Company's inadvertent categorization for purposes of the examination of a claim file that was "paid" as one that was "closed without payment," was a result of an error in filtering data and in no way rises to any type of refusal of the Company to submit to examination or to comply with a reasonable written request of the examiners pursuant to Missouri law. In this particular instance, the data for the examination period was pulled on a month-to-month basis and as of March 2008 this claim was listed as "closed without payment." The claim was subsequently reopened and payment was made in June 2008, however it was not removed from the "closed without payment" listing of claims files. The Company does not believe that this factual scenario provides a basis for a finding of a statutory violation wherein it can be shown that the Company pursuant to § 374.205.2 (2) RSMo did not provide the examiners "timely, convenient and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents and any or all computer or other recordings relating to the property, assets, business and affairs of the company being examined;" that the company did not provide "within ten calendar days any record requested by an examiner during a market conduct examination;" that the officers, directors, employees and agents of the company did not "facilitate the examination and aid in the examination so far as it was in their power to do so." The Company respectfully submits that, in its opinion, the intent of § 374.205.2 (2) by its plain language is to require a company's cooperation with the examiners and its facilitation of the examination. The Company respectfully maintains that its conduct during the course of the market conduct examination was that of full cooperation with the examiners and in compliance with § 374.205.2 (2) RSMo.

2. – 4. The Company accepts these findings as they relate to one claim file and view the errors in the file as an isolated incident of mishandling as the initial file handler and manager are no longer employed by the Company.

### **C. Infinity Auto Medical Payment Claims CWP**

#### **Findings**

1. – 2. The Company accepts these findings.
3. The Company disagrees with the categorization of this finding as a violation of Missouri law (§ 374.205.2 (2) RSMo) and requests that it be withdrawn.

The Company's inadvertent categorization for purposes of the examination of a claim file that was "paid" as one that was "closed without payment," was a result of an error in filtering data and in no way rises to any type of refusal of the Company to submit to examination or to comply with a reasonable written request of the examiners pursuant to Missouri law. In this particular instance, the data for the examination period was pulled on a month-to-month basis and as of March 2008 this claim was listed as "closed without payment." The claim was subsequently reopened and payment was made in June 2008, however it was not removed from the "closed without payment" listing of claims files. The Company does not believe

that this factual scenario provides a basis for a finding of a statutory violation wherein it can be shown that the Company pursuant to § 374.205.2 (2) RSMo did not provide the examiners “timely, convenient and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents and any or all computer or other recordings relating to the property, assets, business and affairs of the company being examined;” that the company did not provide “within ten calendar days any record requested by an examiner during a market conduct examination;” that the officers, directors, employees and agents of the company did not “facilitate the examination and aid in the examination so far as it was in their power to do so.” The Company respectfully submits that, in its opinion, the intent of § 374.205.2 (2) by its plain language is to require a company’s cooperation with the examiners and its facilitation of the examination. The Company respectfully maintains that its conduct during the course of the market conduct examination was that of full cooperation with the examiners and in compliance with § 374.205.2 (2) RSMo.

#### **B. Infinity Assurance Auto Medical Payment Claims CWP**

##### **Findings**

1. – 2. The Company accepts in part and disagrees in part with these findings which reference one claim file. The initial denial for a UMBI claim in the Company’s letter of March 27, 2008 was not proper. The adjuster did not receive instructions nor approval from their manager (who no longer is employed with the Company). Whether or not the erroneous denial of the UMBI claim, corrected on April 7, 2008, delayed the processing of this claim is questionable. The offer made on the UMBI was not accepted and it was not until May 6, 2008 that the attorney representing the claimant provided additional medical information to support his counter demand. It is the Company’s opinion that ultimately the claim was settled in a timely manner.

#### **E. Infinity Auto Bodily Injury Claims CWP**

##### **Findings**

1. – 3. The Company accepts these findings. The adjuster failed to verify the applicable negligence laws for the State of Missouri prior to discussing resolution of this claim with the insured driver. After further assessment, this claim has been reopened, contact has been made with the insured, and the Company has made an offer to resolve the UMBI claim. Resolution of this matter is still pending at this time.

#### **H. Infinity Assurance Uninsured/Underinsured Claims CWP**

The Company believes that the “Number of files found in error” should read zero (0). The Findings indicate that “The examiners discovered no issues or concerns.” We believe this to be a typographical error in the Report that simply needs to be corrected.

#### **I. Infinity Auto Subrogation Claims CWP**

The Company believes that the “Number of files found in error” should read zero (0). The Findings indicate that “The examiners discovered no issues or concerns.” We believe this to be a typographical error in the Report that simply needs to be corrected.

The Company respectfully submits that it has taken the appropriate action and steps to address, correct and/or minimize the recurrence of the issues noted in the Report, and asks for your favorable consideration of such action. We thank you for the opportunity to respond to the Report and offer our sincere gratitude to the examiners for their assistance and cooperation throughout the course of the examination.

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Please do not hesitate to contact me at 1-800-852-8208, ext. 77654, at the address indicated below or by e-mail at [mitch.silverman@ipacc.com](mailto:mitch.silverman@ipacc.com) should you have any questions and/or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell Silverman", with a long horizontal flourish extending to the right.

Mitchell Silverman, Esq.  
Director, Corporate Compliance

**STATE OF MISSOURI  
DEPARTMENT of INSURANCE FINANCIAL  
INSTITUTIONS and PROFESSIONAL REGISTRATION**



**Final Report**  
**MARKET CONDUCT EXAMINATION REPORT**  
for  
**PROPERTY and CASUALTY INSURANCE**  
of

**Infinity  
Insurance Companies**

**Infinity Auto Insurance Company (NAIC # 11738)  
Infinity Assurance Company (NAIC # 39497)**

**11700 Great Oaks Way ♦ Alpharetta, Georgia 30022**

**October 1, 2009**

**EXAMINATION NUMBER: 0808/14/TGT**



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## FOREWORD

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This is a targeted market conduct examination report of the Infinity Auto Insurance Company, (NAIC Code #11738) and the Infinity Assurance Insurance Company, (NAIC Code #39497). This examination was conducted at the Infinity Insurance Companies office, located at 3700 Colonnade Parkway, Birmingham, Alabama 35243.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products or files does not constitute approval thereof by the DIFP.

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products and files. Therefore, some noncompliant practices, procedures, products and files may not have been discovered. As such, this report may not fully reflect all of the practices and procedures of the Company.

During this examination, the examiners cited potential violations made by the Company. Statutory citations were as of the examination period unless otherwise noted.

The final examination report documents consist of this examination report, the Company's response and administrative actions based on the findings by the DIFP.

When used in this report:

- "Company" refers to Infinity Auto/Infinity Assurance Insurance Companies;
- "CSR" refers to the Missouri Code of State Regulation;
- "DIFP" refers to the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- "Director" refers to the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- "NAIC" refers to the National Association of Insurance Commissioners; and
- "RSMo" refers to the Revised Statutes of Missouri.



## PURPOSE AND SCOPE OF EXAMINATION

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The purpose of this examination is to determine whether the Company complied with Missouri statutes, DIFP regulations, and bulletins issued by the Director. In addition, examiners looked for practices and procedures that were not in the best interest of Missouri insurance consumers.

The examination included a review of the following areas of the Company's operations for the lines of business reviewed; Underwriting and Rating practices, Claims Handling practices, Complaint Handling practices, Policy Cancellation, Non-renewal and Declination practices.

The examination period is generally July 1, 2007, through June 30, 2008.

The authority of the DIFP to perform this examination includes, but is not limited to, §§ 374.110, 374.190, 374.205, 375.445, 375.938, and 375.1009, RSMo.

While this report contains errors found in individual files, the focus is on the general business practices of the Company. The examiners used the NAIC suggested error tolerance rate of 10 percent (10%) for underwriting and rating practices and seven percent (7%) for claims handling practices. An error rate in excess of the tolerance level in these sections of the report is indicative of a general business practice to engage in that type of conduct. The Examiners requested the Company make refunds concerning underwriting premium overcharges, and claim underpayments found for amounts greater than \$5.00.



## COMPANY PROFILE

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The following profile information was derived from the Company's website.

Prior to 1992, The Infinity Group was known as The Dixie Insurance Companies that originated in Anniston, Alabama in 1955. What started as a small property and casualty insurance company has evolved into a market leader that writes Automobile insurance in 34 states, with expanded authority to nine other states.

The Infinity Group was purchased on January 1, 1991 by the Pennsylvania Company, a wholly owned subsidiary of American Premier Underwriters, Inc. In 1995, American Premier Underwriters merged with American Financial Corporation to form the American Financial Group (AFG).

Infinity became part of Infinity Property & Casualty Corporation (IPCC) in December, 2002, when American Financial Group transferred all of the outstanding common stock for infinity and its sister companies (Atlanta Casualty, Leader Insurance and Windsor Insurance) to IPCC. In February, 2003, IPCC completed its initial public offering (NASDAQ: IPCC). Infinity Property & Casualty Corporation ranks as the second largest writer of non-standard automobile insurance through independent insurance agents. Our relationship with our sister companies, gives us focus and position in the automobile insurance industry which is unparalleled in today's market



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## EXECUTIVE SUMMARY

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The DIFP conducted a targeted market conduct examination of Infinity Auto Insurance Company and Infinity Assurance Company. The following is a summary of the findings.

The Infinity Auto Insurance Company Private Passenger Auto Underwriting and Rating Practices review resulted in a found error rate of **20.0%**. Twenty files failed to document the file with an application for the current policy term plus two calendar years.

The Infinity Assurance Company Private Passenger Auto Underwriting and Rating Practices review resulted in a found error rate of **13%**. Ten files failed to document the file with an application for the current policy term plus two calendar years. Three files failed to document the insured's premium was rated correctly by using the incorrect rates that did not apply for the applicable policy term creating two undercharges and one premium overcharge.

The Infinity Auto Insurance Company Private Passenger Auto Physical Damage Claims Paid review resulted in a found error rate of **19%**. Nineteen files failed to document the file with a Missouri sales tax affidavit concerning the insured or claimant's total loss vehicle.

The Infinity Assurance Company Private Passenger Auto Physical Damage Claims Paid review resulted in a found error rate of **14%**. Fourteen files failed to document the file with a Missouri sales tax affidavit concerning the insured or claimant's total loss vehicle.

The Infinity Assurance Company Private Passenger Auto Subrogation Claims Paid review resulted in a found error rate of **3.7%**. The Company underpaid the claim by failing to reimburse the insured the full amount of the pro-rated collision deductible that was recovered.

The Infinity Auto Insurance Company Private Passenger Auto Total Loss Claims Paid review resulted in a found error rate of **7.1%**. One file failed to document that a Missouri sales tax affidavit was given to the insured concerning the total loss vehicle.

The Infinity Auto Insurance Company Private Passenger Auto Physical Damage Claims Closed Without Payment (CWP) review resulted in a found error rate of **4%**. One file failed to document the file was closed without payment (claim was paid) as requested by the examiners. One file failed to document all pertinent coverages and benefits were disclosed to the insured. One file failed to document a reservation of rights letter was sent to the insured concerning a coverage issue. One file failed to document a letter was sent to the insured 45 days after the claim was received and 45 days thereafter explaining why the file remained open.

The Infinity Auto Insurance Company Private Passenger Auto Medical Payment Claims CWP review resulted in a found error rate of **8%**. One file failed to document that the insured was provided all claim forms and given reasonable assistance within 10 working

days. One file failed to document the file that the Company adhered to its own claim handling guidelines by not sending the insured Medical Payment forms for which benefits applied.

The Infinity Assurance Company Private Passenger Auto Medical Payment Claims CWP review resulted in a found error rate of **7.7%**. One file failed to document the file that the Company adhered to its own claim handling guidelines by allowing a denial letter to be sent without a Manager's approval or supervision. One file failed to document in the file that the Company adhered to its own claim handling guidelines by failing to verify applicable Uninsured Motorist coverage for the insured, creating an undetermined claim processing delay.

The Infinity Auto Insurance Company Private Passenger Auto Bodily Injury Claims CWP review resulted in a found error rate of **3.3%**. One file misstated Missouri pure comparative negligence law. One file failed to document all pertinent coverages and benefits were disclosed to the insured. One file failed to document the file that the Company adhered to its own claim handling guidelines by failing to verify applicable coverage and not sending a written denial letter to the insured.



## EXAMINATION FINDINGS

### I. UNDERWRITING AND RATING PRACTICES

This section of the report is designed to provide a review of the Company's underwriting and rating practices. Examiners reviewed how the Company handles new and renewal policies to ensure the Company underwrites and rates risks according to its own underwriting guidelines, filed rates, and Missouri statutes and regulations.

The examiners requested a data download of new and renewed policies issued during the examination period from the Company for each line of business under review. The examiners then used Excel to systematically select policies for review.

The examiners requested the Company's underwriting and rating manual for the lines of business under review. This included all rates, guidelines, and rules that were in effect on the first day of the examination period and at any point during the period to ensure the examiners could properly rate each policy that was selected in the sample.

The examiners also requested the Company's procedures, rules, rates, and forms filed by or on behalf of the Company to determine compliance with Missouri statutes and regulations.

The examiners requested a description of the controls used to ensure the correct territories and zip codes were applied to the risks.

The error criterion to develop confidence levels for the Underwriting and Rating Practices reviews is 10% as established by the NAIC.

#### A. Infinity Auto Policies Active

The examiners requested a sample from the total population of Private Passenger Auto new and renewed policies written in Missouri.

Number of policies in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
7,965	100	Systematic	20	20.0%

**Findings**

1. The following 20 policy files failed to document that an actual completed application was contained in them, for policies issued and maintained for the duration of the current policy term plus two calendar years.

Reference: 20 CSR 300-2.200(3)(A) (as amended 20 CSR 100-8.040)

**Policy Number**

124700000385001  
124418114094001  
124700000615001  
124700000575001  
124520331136001  
124664363306001  
124700000487001  
124523715614001  
124522640506001  
124527904099001

**Policy Number**

124700000846001  
124700000810001  
124035197084001  
124700001184001  
124531673315001  
124467605319001  
124371339969001  
124522687667001  
124034920019001  
124483884276001

**B. Infinity Assurance Policies Active**

The examiners requested a sample from the total population of Private Passenger Auto new and renewed policies written in the state of Missouri.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>3,348</b>	<b>100</b>	<b>Systematic</b>	<b>13</b>	<b>13.0%</b>

**Findings**

1. The following 10 policy files failed to document that an actual completed application was contained in them, for policies issued and maintained for the duration of the current policy term plus two calendar years.

Reference: 20 CSR 300-2.200(3)(A) (as amended 20 CSR 100-8.040)

**Policy Number**

124407975979001  
124720000155001  
124530041632001  
124314728602001  
124529225445001

**Policy Number**

124532389794001  
124526930941001  
124518789226001  
124524818793001  
124524807581001

2. The following file failed to document that the insured's policy premium was rated correctly, resulting in an \$18 overcharge. The Company used incorrect rates (rate validators) for the applicable policy period.

Reference: §379.321, RSMo, Policy Provisions

**Policy Number**

124521599846001

3. The following file failed to document that the insured's policy premium was rated correctly resulting in an \$18 undercharge. The Company used incorrect rates (rate validators) for the applicable policy period.

Reference: §379.321, RSMo, Policy Provisions

**Policy Number**

124522486997001

4. The following file failed to document that the insured's policy premium was rated correctly, resulting in a \$12 undercharge. The Company used incorrect rates (rate validators) for the applicable policy period.

Reference: Policy Provisions

**Policy Number**

124532651885001

## II. CANCELLATION, NON-RENEWAL AND DECLINATION PRACTICES

This section of the report is designed to provide a review of the Company's cancellation, non-renewal and declination practices. Examiners reviewed how the Company declines applications, and cancels and non-renews policies to ensure the Company was performing these practices according to its own Company guidelines and Missouri statutes and regulations.

The examiners requested a data download of policies cancelled within the first 60 days, policies non-renewed, and applications declined during the examination period. Policies were then systematically selected for review. When the number of policies in the population was small, the examiners selected each file, or a census, for review.

### A. Infinity Auto Policies Cancelled or Declined in the First 60 Days

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written in the state of Missouri, cancelled or declined in the first 60 days during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>1,847</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

### B. Infinity Assurance Company Policies Cancelled or Declined in the First 60 Days

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written in the state of Missouri, cancelled or declined in the first 60 days during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>376</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

### C. Infinity Auto Policies Cancelled or Declined after the First 60 Days

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written that were cancelled or declined after the first 60 days during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>2,160</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

### D. Infinity Assurance Policies Cancelled or Declined after the First 60 Days

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written that were cancelled or declined after the first 60 days during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>794</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

### E. Infinity Auto Policies Non-Renewed

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written that were non-renewed during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>1,320</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**F. Infinity Assurance Policies Non-Renewed**

The examiners requested a sample from the total population of all Missouri Private Passenger auto policies written that were non-renewed during the examination period.

<b>Number of policies in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>912</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

### **III. CLAIMS HANDLING PRACTICES**

This section of the report is designed to provide a review of the Company's claims handling practices. Examiners reviewed how the Company handles claims to determine efficiency of handling, accuracy of payment, adherence to contract provisions, and compliance with Missouri statutes, regulations and bulletins.

The Company uses its own employees as adjusters and independent adjusting firms to investigate and settle claims. Fees for services are based on a case by case basis with no formal contracts for services existing between the Company and the adjusting firms.

The examiners requested a data download of claims paid and claims closed without payment during the examination period for each line of business under review. The examiners then used Excel to systematically select a sample of claims. When the number of claims in the population was small, the examiners selected each file, or a census, for review.

The examiners requested the Company's claims handling procedures manual for each line of business under review and all claims forms used during the claims handling process.

A claim is, but is not limited to, a demand for payment by a policyholder or third-party claimant under a coverage which is either paid by the Company as full or partial recompense or closed without payment by reason of no relevant coverage, no liability, or recompense by other legal means.

The error criterion used to develop confidence levels for the claims practices review is seven percent (7%), as established by the NAIC.

In determining efficiency, examiners looked at the duration of time the Company used to acknowledge the receipt of the claim, the time for investigation of the claim, and the time to make payment or provide a written denial. Missouri regulations define a reasonable duration of time for claim handling as acknowledgement of receipt of the claim within 10 working days; completion of the investigation of the claim within 30 calendar days; and payment or denial of the claim within 15 working days after the investigation is completed.

Missouri statutes require the Company to disclose to first-party claimants all pertinent benefits, coverages or other provisions of an insurance policy for which a claim is presented. Claim denials must be given to the claimant in writing and the Company must maintain a copy of the denials in the claim files.

## **CLAIMS PAID**

### **A. Infinity Auto Physical Damage Claims Paid**

The examiners requested a sample from the total population of Missouri Private Passenger Auto Physical Damage claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>783</b>	<b>100</b>	<b>Random</b>	<b>19</b>	<b>19.0%</b>

### **Findings**

1. The following nineteen files failed to document a copy of a Missouri sales tax affidavit concerning the insured or claimant's total loss vehicle.

Reference: §144.027, RSMo, and 20 CSR 300-2.200(3)(B)3. (as amended 20 CSR 100-8.040)

#### **Claim Number**

10000558836  
10000545192  
10000405889  
10000378267  
10000448773  
10000316578  
10000520162  
10000466781  
10000427488  
10000373068

#### **Claim Number**

10000553469  
10000441620  
10000344401  
10000512434  
10000329601  
10000571493  
10000481013  
10000450212  
10000414186

### **B. Infinity Assurance Auto Physical Damage Claims Paid**

The examiners requested a sample from the total population of Missouri Private Passenger Auto Physical Damage claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>604</b>	<b>100</b>	<b>Random</b>	<b>14</b>	<b>14.0%</b>

**Findings**

1. The following 14 files failed to document a copy of a Missouri sales tax affidavit concerning the insured or claimant’s total loss vehicle.

Reference: §144.027, RSMo, and 20 CSR 300-2.200(3)(B)3. (as amended 20 CSR 100-8.040)

<b><u>Claim Number</u></b>	<b><u>Claim Number</u></b>
10000307379	10000429692
10000354959	10000414666
10000386637	10000399688
10000403595	10000442547
10000431875	10000435935
10000468520	10000394364
10000490557	10000391590

**C. Infinity Auto Medical Payment Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Medical Payment claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>17</b>	<b>17</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**D. Infinity Assurance Auto Medical Payment Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Medical Payment claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>16</b>	<b>16</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

### **Findings**

The examiners discovered no issues or concerns.

#### **E. Infinity Auto Bodily Injury Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Bodily Injury claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>86</b>	<b>86</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

### **Findings**

The examiners discovered no issues or concerns.

#### **F. Infinity Assurance Bodily Injury Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Bodily Injury claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>101</b>	<b>101</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

### **Findings**

The examiners discovered no issues or concerns.

#### **G. Infinity Auto Uninsured/Underinsured Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Uninsured/underinsured claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>17</b>	<b>17</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**H. Infinity Assurance Uninsured/Underinsured Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Uninsured/Underinsured claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>23</b>	<b>23</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**I. Infinity Auto Subrogation Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Subrogation claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>14</b>	<b>14</b>	<b>Systematic</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**J. Infinity Assurance Subrogation Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Subrogation claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>27</b>	<b>27</b>	<b>Census</b>	<b>1</b>	<b>3.7%</b>

**Findings**

1. The following file failed to document that the insured was accurately paid the pro-rata deductible recovery, resulting in a \$90.00 claim underpayment.

Reference: §480.020 RSMo, and Company Claims Guidelines

**Claim Number**  
10000320077

**K. Infinity Auto Total Loss Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Total Loss claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>14</b>	<b>14</b>	<b>Census</b>	<b>1</b>	<b>7.1%</b>

**Findings**

1. The following file failed to document a copy of a Missouri sales tax affidavit concerning the insured’s total loss vehicle.

Reference: § 374.205.2(2), RSMo, and 20 CSR 300-2.200(3)(B)

**Claim Number**  
10000504411

**L. Infinity Assurance Total Loss Claims Paid**

The examiners reviewed the total population of Missouri Private Passenger Auto Total Loss claims paid and closed during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>7</b>	<b>7</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

## **CLAIMS CLOSED WITHOUT PAYMENT (CWP)**

### **A. Infinity Auto Physical Damage Claims CWP**

The examiners requested a sample from the total population of Missouri Private Passenger Auto Physical Damage claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>505</b>	<b>50</b>	<b>Random</b>	<b>2</b>	<b>4.0%</b>

### **Findings**

1. The Company failed to provide a claim file that was closed without payment as requested. The following claim file that was submitted to the examiners was one that was paid.

Reference: §374.205.2(2), RSMo

#### **Claim Number**

10000535601

2. The following claim file documented that the Company failed to fully disclose all pertinent benefits, coverages or other provisions of an insurance policy under which a claim is presented to the insured. The insured presented and notified the Company of the claim (rental car damage) on 1/9/08. The Company failed to disclose to the insured the policy exclusion until 6/24/08 (167 calendar days), confirming the insured had no coverage for an automobile that was rented for a period over 14 consecutive calendar days.

Reference: 20 CSR 100- 1.020(1)

#### **Claim Number**

10000498200

3. The following claim file failed to document that the Company adhered to its own Company claims handling practices guidelines by not sending the insured a reservation of rights letter when a coverage issue existed. The Company was notified of the insured's rental car damage on 1/9/08. The date of loss was 1/9/08. The Company failed to recognize there was a question of coverage until the 6/19/08 file note (162 calendar days). The examiners contend the Company should have known there was a question of

coverage 14 calendar days after receiving the loss (1/23/08), as it was notified of the damage to the rental car on 1/9/08 but failed to send a reservation of rights letter explaining there may not be coverage for a rental vehicle after 14 days in the insured's possession.

Reference: Company Claim Guidelines.

**Claim Number**

\*10000498200

4. The following claim file failed to document that the Company sent the insured a letter explaining why the file remained open 45 days after receiving the original notification of the claim and 45 days thereafter. The Company received the claim on 1/9/08 and failed to send a letter to the insured until the letter of denial dated 6/24/08 (167 calendar days).

Reference: 20 CSR 100-1.050(1)(C).

**Claim Number**

\*10000498200

\*Although listed multiple times, the claim numbers listed above with an asterisk in this section of the report were counted only once in determining the error ratio.

**B. Infinity Assurance Auto Physical Damage Claims CWP**

The examiners requested a sample from the total population of Missouri Private Passenger Auto Physical Damage claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>323</b>	<b>50</b>	<b>Random</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

### C. Infinity Auto Medical Payment Claims CWP

The examiners reviewed the total population of Missouri Private Passenger Auto Medical Payment claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>12</b>	<b>12</b>	<b>Census</b>	<b>1</b>	<b>8%</b>

#### **Findings**

1. The following claim file failed to document that the Company provided all claim forms, instructions and reasonable assistance to the insured within 10 working days after receiving notice that the insured driver was injured. The Company was notified of the insured driver's injuries on 11/26/07 but failed send the insured any Medical Payment forms from all involved people for whom benefits may apply. The Medical Payment coverage reserve was closed 1/25/08 (42 working days).

Reference: 20 CSR 100-1.030(3)

#### **Claim Number**

10000475025

2. The following file failed to document the Company adhered to its own Company claims guidelines by failing to obtain Medical Payment forms for the insured for benefits that may apply. The Company was notified the insured driver was injured but failed to send any Medical Payment forms to the insured.

Reference: Company Claim Guidelines

#### **Claim Number**

\*10000475025

\*Although listed multiple times, the claim numbers listed above with an asterisk in this section of the report were counted only once in determining the error ratio.

#### **D. Infinity Assurance Auto Medical Payment Claims CWP**

The examiners reviewed the total population of Missouri Private Passenger Auto Medical Payment claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>13</b>	<b>13</b>	<b>Census</b>	<b>1</b>	<b>7.7%</b>

#### **Findings**

1. The following claim file documented that the Company failed to adhere to its own Claim handling guidelines by failing to send a denial letter with a Manager's signature or reflecting that the Manager reviewed and approved the letter. The Company sent to the insured a letter denying the Medical Payment and Uninsured Motorist claims presented. The Company determined the insured did not have Medical Payment coverage, however, it had to process the Uninsured Motorist claim portion concerning the same denial letter, as it was later determined Uninsured Motorist coverage did apply.

Reference: Company Guidelines

#### **Claim Number**

10000489754

2. The following claim file failed to document that the Company adhered to its own claim handling guidelines as it failed to verify coverage applicability before sending the denial letter concerning the Uninsured Motorist portion of the denial. After the denial letter was sent, the insured's attorney contacted the Company and the denial of coverage was reversed. This also caused an undetermined delay in the processing of the claim.

Reference: Company Guidelines

#### **Claim Number**

\*10000489754

\*Although listed multiple times, the claim numbers listed above with an asterisk in this section of the report were counted only once in determining the error ratio.

### E. Infinity Auto Bodily Injury Claims CWP

The examiners reviewed the total population of Missouri Private Passenger Auto Bodily Injury claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>30</b>	<b>30</b>	<b>Census</b>	<b>1</b>	<b>3.3%</b>

#### **Findings**

1. The Company misstated Missouri law as it related to Missouri pure comparative negligence by verbally denying an uninsured motorist claim of an injured named insured driver, based on the Company's determination that the insured was 50% or more at fault concerning the following claim file. The Company evaluated the Missouri located accident based on negligence percentages of 15% against the adverse uninsured driver and 85% against the insured driver. The Company should have offered the insured 15% of his injury claim relative to the uninsured motorist coverage that was provided by his auto policy. The examiners requested the Company reopen the uninsured motorist claim and offer to settle with the named insured driver.

Reference: §537.067 RSMo, and Uninsured Motorist Coverage policy provisions.

#### **Claim Number**

10000433335

2. The following claim file failed to document that the Company fully disclosed all pertinent benefits, coverages or other provisions of an insurance policy under which a claim is presented to the insured. The Company was notified of the lack of insurance coverage concerning the claimant's vehicle as early as 9/21/07. The Company documented that the liability assessment was made as early as 10/19/07. The insured notified the Company of an injury claim on 11/14/07. The Company failed to disclose to the named insured driver that uninsured motorist coverage did apply and documented in the file that there was no uninsured motorist as he (named insured driver) was more than 50% responsible. This is contrary to Missouri comparative negligence law. Therefore, the uninsured motorist coverage was a pertinent benefit which the insurer did not fully disclose or provide to the insured.

Reference: 20 CSR 100-1.020(1)

#### **Claim Number**

\*10000433335

3. The Company failed to adhere to its own Company guidelines by failing to verify uninsured motorist coverage applicability concerning the named insured driver and failed to send the insured a written letter of denial to the insured that was also consistent with state law concerning the following claim file. The file failed to document that a letter was sent to the named insured driver explaining why the uninsured motorist claim was denied. Missouri comparative negligence did apply. Therefore, the Company's verbal denial was inconsistent with Missouri law.

Reference: §537.067, RSMo and Company guidelines

**Claim Number**

\*10000433335

\*Although listed multiple times, the claim numbers listed above with an asterisk in this section of the report were counted only once in determining the error ratio.

**F. Infinity Assurance Bodily Injury Claims CWP**

The examiners reviewed the total population of Missouri Private Passenger Auto Bodily Injury claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>29</b>	<b>29</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

**G. Infinity Auto Uninsured/Underinsured Claims CWP**

The examiners reviewed the total population of Missouri Private Passenger Auto Uninsured/underinsured claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>1</b>	<b>1</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

**Findings**

The examiners discovered no issues or concerns.

#### H. Infinity Assurance Uninsured/Underinsured Claims CWP

The examiners reviewed the total population of Missouri Private Passenger Auto Uninsured/Underinsured claims closed without payment during the examination period.

Number of claims in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
12	12	Census	0	0.0%

#### Findings

The examiners discovered no issues or concerns.

#### I. Infinity Auto Subrogation Claims CWP

The examiners reviewed the total population of Missouri Private Passenger Auto Subrogation claims closed without payment during the examination period.

Number of claims in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
22	22	Census	0	0.0%

#### Findings

The examiners discovered no issues or concerns.

#### J. Infinity Assurance Subrogation Claims CWP

The examiners reviewed the total population of Missouri Private Passenger Auto Subrogation claims closed without payment during the examination period.

Number of claims in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
34	34	Census	0	0.0%

#### Findings

The examiners discovered no issues or concerns.

### **K. Infinity Auto Total Loss Claims CWP**

The examiners reviewed the total population of Missouri Private Passenger Auto Total Loss claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>3</b>	<b>3</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

### **L. Infinity Assurance Total Loss Claims CWP**

The examiners reviewed the total population of Missouri Private Passenger Auto Total Loss claims closed without payment during the examination period.

<b>Number of claims in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>2</b>	<b>2</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

#### **Findings**

The examiners discovered no issues or concerns.

#### **IV. COMPLAINT HANDLING PRACTICES**

This section of the report is designed to provide a review of the Company's complaint handling practices. Examiners reviewed how the Company handles complaints to ensure it was performing according to its own guidelines and Missouri statutes and regulations.

According to §375.936(3), RSMo, the Company is required to maintain a registry of all written complaints received for the last three years. The registry must include all Missouri complaints, including those sent to the DIFP, and those sent directly to the Company. The examiners requested the Company's complaint handling procedures and a data download of the Company's complaint registry.

The examiners ensured that the registry indicated the total number of complaints, a classification by line of insurance, the nature of each complaint, the disposition of the complaint and the time taken to process the complaint, as required by §375.936(3), RSMo, 20 CSR 100-1.030(2), and 20 CSR 300-2.200(3)(D) (as amended 20 CSR 100-8.040).

The examiners compared the Company's complaint records to the DIFP records to confirm that all complaints were recorded. Since the number of complaints in the Population was small, the examiners selected each file, or a census, for review.

The examiners reviewed each file to ensure that the Company responded to complaints within the required period, was maintaining adequate documentation, and was taking adequate steps to finalize and dispose of complaints in accordance with Missouri statutes, regulations, and policy language. When reviewing the files, the examiners looked for the frequency of similar complaints (such as producers, ZIP codes, nature, etc.) to be aware of any pattern or specific areas of concern. While performing the other reviews, examiners looked for complaints documented in the files and ensured they were recorded in the Company's complaint registry.

The Company's complaint records and those of the DIFP were used in the review of complaints from January 1, 2005, through December 9, 2008. A total of 36 (12 Infinity Auto Insurance Company and 24 concerning Infinity Assurance Company) complaints were reported to the DIFP.

The Company explained that it kept track of complaints sent directly to the Company as required with §375.936(3), RSMo. The Company stated that it received no complaints that were sent directly to the Company with respect to the examination time frame.

#### A. Infinity Auto Complaints Sent Directly to the Missouri DIFP

Number of Complaints in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
12	12	Census	0	0.0%

#### Findings

The examiners discovered no issues or concerns.

#### B. Infinity Assurance Complaints Sent Directly to the Missouri DIFP

Number of Complaints in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
24	24	Census	0	0.0%

#### Findings

The examiners discovered no issues or concerns.

#### C. Infinity Auto Complaints Sent Directly to the Company

Number of Complaints in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
0	0	Census	0	0.0%

#### Findings

The Company responded that it did not receive any written complaints that were sent directly to the Company. The examiners found no evidence to the contrary.

#### D. Infinity Assurance Complaints Sent Directly to the Company

Number of Complaints in population	Number of files sampled by examiners	Type of sample used by examiners	Number of files found in error	Found error rate
0	0	Census	0	0.0%

## **Findings**

The Company responded it did not receive any written complaints that were sent directly to the Company. The examiners found no evidence to the contrary.

### **V. PRACTICES NOT IN THE BEST INTEREST OF MISSOURI CONSUMERS**

In addition to looking for practices and procedures that violate Missouri law, examiners also looked for practices and procedures of the Company that appeared not to be in the best interest of consumers of the State of Missouri.

#### **A. Infinity Auto Practices Not In The Best Interest of Missouri Consumers**

<b>Number of Complaints in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>0</b>	<b>0</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

## **Findings**

The examiners discovered no issues or concerns.

#### **B. Infinity Assurance Practices Not In The Best Interest of Missouri Consumers**

<b>Number of Complaints in population</b>	<b>Number of files sampled by examiners</b>	<b>Type of sample used by examiners</b>	<b>Number of files found in error</b>	<b>Found error rate</b>
<b>0</b>	<b>0</b>	<b>Census</b>	<b>0</b>	<b>0.0%</b>

## **Findings**

The examiners discovered no issues or concerns.



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## EXAMINATION REPORT SUBMISSION

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Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Infinity Auto Insurance Company (NAIC #11738) and Infinity Assurance Company (NAIC #39497), Examination Number 0808-14-TGT. This examination was conducted by Scott Pendleton, Dennis Foley, and Dale Hobart. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated May 5, 2009. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.

A handwritten signature in black ink, appearing to read "Michael W. Woolbright".

Michael W. Woolbright  
Chief Market Conduct Examiner

10-1-09  
Date