



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Market Conduct Report

of

### Essentia Insurance Company

October 25, 2023

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Essentia Insurance Company using a sample period of January 1, 2021 through December 31, 2021. The examination survey was limited to Connecticut Private Passenger Auto insurance business.

Essentia Insurance Company has its home office in the State of Missouri. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints and underwriting information requested for the examination period.

The Department's findings are as follows:

- One (1) instance where an individual adjusting casualty claims without the required license.
- Certain instances where respondent failed to report total constructive vehicle losses to the NICB.
- Ten (10) instances where the respondent failed to undertake to pay Loss of Use.

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

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IN THE MATTER OF: DOCKET MC 23-30  
ESSENTIA INSURANCE COMPANY:  
----- X

### STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Essentia Insurance Company and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to Essentia Insurance Company:

1. Essentia Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Missouri and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 37915.
2. From January 17, 2023 through July 28, 2023, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2021 through December 31, 2021.
3. During the period under examination, in certain instances, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in the following:
  - a. One (1) individual adjusting claims without required casualty adjuster license.
  - b. Ten (10) instances where the respondent failed to undertake to pay Loss of use.
  - c. Certain instances where the respondent failed to report total constructive vehicle losses to the NICB.
4. The conduct described in paragraph three is in violation of Sections 38a-702b and 38a-357 of the Connecticut General Statutes, and 38a-334-2(c) and 38a-334-5(a) of the Connecticut Regulations and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2 and 38a-41 of the Connecticut General Statutes.

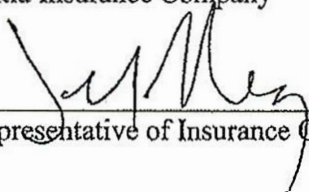
II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$10,250 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
  - a. any right to notice and a hearing; and
  - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
  - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Department has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Ten Thousand Two Hundred and Fifty Dollars (\$10,250) for the violations herein above described.

Essentia Insurance Company

By:   
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 30<sup>th</sup> day of October 2023, for and on behalf of Essentia Insurance Company; that she/he is the Vice President of such company, and she/he has authority to execute and file such instrument.

By: [Signature]

STATE OF Wisconsin

SS

COUNTY OF Waukesha

On the 30<sup>th</sup> day of October 2023, before me personally appeared Jeff May, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

[Signature]  
Notary Public/Commissioner of The Superior Court

JESSICA SCHAICH  
Notary Public  
State of Wisconsin

My commission expires June 9, 2027

*Section Below To Be Completed by State of Connecticut Insurance Department*

Dated at Hartford, Connecticut this 5th day of December 2023.

[Signature]  
Andrew N. Mais  
Insurance Commissioner