



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Foremost Insurance Company Grand Rapids, Michigan

March 7, 2022

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Foremost Insurance Company Grand Rapids, Michigan using a sample period of January 1, 2019 through December 31, 2019. The examination survey was limited to Connecticut personal and commercial insurance business.

Foremost Insurance Company Grand Rapids, Michigan is domiciled in the state of Michigan. 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:

- Instances of producers not properly licensed or appointed
- One (1) instance of an individual adjusting casualty claims without required license
- Fifty-Three (53) instances where the Respondent failed to undertake to pay Loss of Use
- One (1) early settlement of a bodily injury liability claim

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 21-100

FOREMOST INSURANCE COMPANY GRAND RAPIDS, MICHIGAN:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Foremost Insurance Company Grand Rapids, Michigan 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 Foremost Insurance Company Grand Rapids, Michigan:

1. Foremost Insurance Company Grand Rapids, Michigan hereinafter referred to as Respondent, is domiciled in the State of Michigan and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 11185.
2. From January 15, 2021 through December 1, 2021, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2019 through December 31, 2019.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - (a) One (1) individual acting as a producer without required license
 - (b) Two (2) individuals acting as producers without required appointment
 - (c) One (1) instance of an early bodily injury settlement
 - (d) Failure to undertake to pay loss of use coverage to property damage liability claimants
 - (e) One individual adjusting casualty claims without required license
4. The conduct described in paragraph three is in violation of Sections 38a-702b, 38a-702m, 38a-792, 52-572 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 neither admits nor denies 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 \$20,000 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 Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Twenty Thousand Dollars (\$20,000) for the violations herein above described.

Foremost Insurance Company Grand Rapids, Michigan

By: _____
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this _____ day of _____ 2022, for and on behalf of Foremost Insurance Company Grand Rapids, Michigan; that she/he is the _____ of such company, and she/he has authority to execute and file such instrument.

By: Victoria L. McCarthy

STATE OF CA

SS

COUNTY OF Orange

On the 20 day of April 2022, before me personally appeared Victoria L. McCarthy, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

Attached California Notary Form

Notary Public/Commissioner of The Superior Court

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 24 day of May 2022.

Andrew N. Mais
Andrew N. Mais
Insurance Commissioner

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

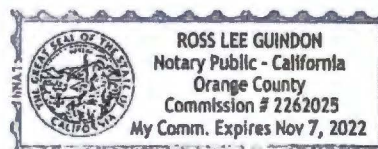
On April 30, 2020 before me, Ross Lee Guindon, Notary Public,
(Here insert name and title of the officer)

personally appeared Victoria L. McCarthy,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary Public Signature



(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT
Stipulation And Consent order
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 3 Document Date 04-30-2020

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~ - is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.