

Market Conduct Report

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

January 7, 2022

Connecticut Insurance Department

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Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

I. INTRODUCTION

A. Statutory Authority

By authority granted under Section 38a-15 of the Connecticut General Statutes, this examination was conducted by Market Conduct examiners of the State of Connecticut Insurance Department at the Department office located in Hartford, Connecticut.

B. Scope of Examination

From June 3, 2021, to on or about November 12, 2021, the Market Conduct Division of the Connecticut Insurance Department examined the market conduct practices of the companies using a sample period of January 1, 2019 through December 31, 2019. The examination was limited to Connecticut business.

C. Company Profile

<u>Company</u>	<u>Commenced Business</u>	<u>State of Domicile</u>
Metropolitan Group Property and Casualty Insurance	December 1, 1976	Rhode Island
Metropolitan Casualty Insurance Company	October 7, 1981	Rhode Island

Direct premiums written as of December 31, 2016 are as follows:

	<u>Connecticut</u>	<u>Total</u>
Metropolitan Group Property and Casualty Insurance	76,045,183	801,565,195
Metropolitan Casualty Insurance Company	26,454,384	517,284,590

On April 7, 2021, the Farmers Insurance Group® acquired multiple insuring entities, which were part of MetLife Auto and Home®. Metropolitan Group Property and Casualty Insurance Company was renamed to Farmers Group Property and Casualty Insurance Company and Metropolitan Casualty Insurance Company was renamed to Farmers Casualty Insurance Company.

D. Market Conduct Reports

The examiners generated a listing of market conduct examination reports using National Association of Insurance Commissioners' I-Site. This information was used to request market conduct examination reports from the company.

The examiners obtained copies of all relevant market conduct examination reports which had been issued to the company during the three (3) years preceding the examination. The reports were reviewed to identify any recommendations that had been made by the respective Insurance Departments and to determine whether the company had taken appropriate corrective action in response to those recommendations.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

E. Privacy of Consumer Financial Information

Standard 1: The companies have adequate procedures in place for the protection of consumer financial information.

The companies appear to be in compliance.

Standard 2: The companies provide each consumer with an initial privacy notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 3: The companies provide each consumer with an annual privacy notice in accordance with statutes, rules and regulations but at a minimum annually.

The companies appear to be in compliance.

Standard 4: The companies provide each consumer with an opt out notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 5: The companies provide each consumer with a revised privacy notice in accordance with statutes, rules and regulations.

The companies appear to be in compliance.

Standard 6: All notices are provided in the required timeframe so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

Standard 7: The companies comply with all requirements for the disclosure of nonpublic personal financial information to nonaffiliated third parties so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 8: The companies comply with all requirements for the disclosure and redisclosure of nonpublic personal financial information so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

Standard 9: The companies have procedures for the sharing of consumer account numbers so as to minimize any improper intrusion into the privacy of consumers.

The companies appear to be in compliance.

II. ITEMS EXAMINED

A. Operations and Management

Standard 1: The companies have an up-to-date, valid internal or external audit program.

The Farmers Internal Audit department follows the definition of internal audits set forth by the International Standards for Professional Practices of Internal Auditing designed to improve the organizations operations. The audit process follows an annual risk based plan that includes fact finding, risk assessment, evaluation of controls and follow-up.

Standard 2: The companies have appropriate controls, safeguards and procedures for protecting the integrity of computer information.

The company controls in place include physical location security, Firewall/Intrusion security, two factor authentication, anti-virus authentication, secure email gateways, data encryption, data center penetration testing, disaster recovery plans. The company states with regard to the NAIC security model that the company has evaluated and determined it meets the requirements.

Standard 3: The companies have an antifraud plan in place.

The examiners were provided a non-state specific company insurance anti fraud plan. It detailed the company's SIU investigator training, sales representative training, fraud detection and investigation along with underwriting application integrity. The company during the exam period had a total of one hundred forty-two (142) referrals to SIU on Connecticut business. There were no prosecutions or convictions in the state of Connecticut during the exam period.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 4: The companies have a valid disaster recovery plan.

The company provided its Global Resiliency Program 2020 version. It covered Business Impact Analysis, Disaster Recovery Plans, Risk Assessment and Awareness and Training. The Business Continuity and Disaster Recovery plan are updated on a yearly basis. Testing of the range from structured walkthroughs to physical relocation of data and restoration of systems at an external facility.

Standard 5: The companies adequately monitor the activities of the managing general agents.

The companies do not have managing general agents.

Standard 6: The companies' contract with managing general agents complies with applicable statutes, rules and regulations.

See above.

Standard 7: Records are adequate, accessible, consistent and orderly, and comply with State record retention requirements.

The companies appear to be in compliance.

Standard 8: The companies are licensed for the lines of business that are being written.

The companies appear to be in compliance.

Standard 9: The companies cooperate on a timely basis with examiners performing the examination.

The companies appear to be in compliance.

B. Complaint Handling

Standard 1: All complaints are recorded in the required format on the companies' complaint register.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

The companies complaint log/register was provided for review. It contained both Department registered complaints along with direct to company complaints. The format and logging of complaints appear to be in compliance.

Standard 2: The companies have adequate complaint handling procedures in place and communicate such procedures to policyholders.

The examiners were provided Complaint Handling Procedures Version 1.8. The procedures are quite extensive, and the companies appear to be in compliance.

Standard 3: The companies take adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations, and contract language.

The companies appear to be in compliance.

Standard 4: The time frame within which the companies respond is in accordance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

C. Marketing and Sales

Standard 1: All advertising and sales materials are in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 2: The companies' internal producer training materials are in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 3: The companies' communications to producers are in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 4: The companies' mass marketing of property and casualty insurance is in compliance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

D. Producer Licensing

Standard 1: The companies' records of licensed and appointed producers agree with Insurance Department's records.

The companies appear to be in compliance.

Standard 2: The producers are properly licensed and appointed in the jurisdiction where the application was taken.

Metropolitan Casualty Insurance Company

It was determined that one (1) individual producer was not appointed by the company to write business.

Standard 3: Termination of producers complies with statutes regarding notification to the producer and notification to the State, if applicable.

The companies appear to be in compliance.

Standard 4: The companies' policy of producer appointments and terminations does not result in unfair discrimination against policyholders.

The companies appear to be in compliance.

Standard 5: Records of terminated producers adequately document the reasons for termination.

The companies appear to be in compliance.

E. Policyholder Service

Standard 1: Premium notices and billing notices are sent out with an adequate amount of advance notice.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Metropolitan Casualty Insurance Company

It was determined that one (1) automobile renewal was determined to be a short notice.

Standard 2: Policy issuance and insured requested cancellations are timely.

The companies appear to be in compliance.

Standard 3: All correspondence directed to the companies is answered in a timely and responsive manner by the appropriate department.

The companies appear to be in compliance.

F. Underwriting and Rating

Standard 1: The rates charged for the policy coverage are in accordance with filed rates or the companies' rating plan.

The companies appear to be in compliance.

Standard 2: Disclosures to insureds concerning rates and coverages are accurate and timely.

The companies appear to be in compliance.

Standard 3: The companies do not permit illegal rebating, commission cutting or inducements.

The companies appear to be in compliance.

Standard 4: Credits and deviations are consistently applied on a non-discriminatory basis.

The companies appear to be in compliance.

Standard 5: Schedule rating or individual risk premium modification plans, where permitted, are based on objective criteria with usage supported by appropriate documentation.

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Metropolitan Casualty Insurance Company

The companies appear to be in compliance.

Standard 6: The companies' underwriting practices are not unfairly discriminatory. The companies adhere to applicable statutes, rules, regulations and companies' guidelines in the selection of risks.

The companies appear to be in compliance.

Standard 7: All forms and endorsements forming a part of the contract are listed on the declarations page and should be filed with the Department of Insurance.

The companies appear to be in compliance.

Standard 8: The producers are properly licensed and appointed in the jurisdiction where the application was taken.

The companies appear to be in compliance.

Standard 9: Underwriting, rating and classifications are based on adequate information developed at or near inception of the coverage rather than near expiration or following a claim.

The companies appear to be in compliance.

Standard 10: File documentation adequately supports decisions made.

The companies appear to be in compliance.

Standard 11: Policies and endorsements are issued or renewed accurately, timely and completely.

The companies appear to be in compliance.

Standard 12: Audits, when required, are conducted accurately and timely.

No audits were required.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 13: The companies verify that VIN number submitted with application is valid and that the correct symbol is utilized.

The companies appear to be in compliance.

Standard 14: The companies do not engage in collusive or anti-competitive underwriting practices.

The companies appear to be in compliance.

Standard 15: Rejections and declinations are not unfairly discriminatory.

Metropolitan Group Property and Casualty Insurance Company

Private Passenger Automobile

Declinations

In a sample of private passenger automobile declinations, nineteen (19) files provided did not have adequate documentation to support the declination.

Homeowners

In a sample of homeowner declinations, five (5) files did not provide the declination letter to substantiate the reason for declination.

Metropolitan Casualty Insurance Company

Private Passenger Automobile

In a sample of private passenger automobile declinations four (4) files did not provide documentation to substantiate the declination.

Standard 16: Cancellation/non-renewal notices comply with policy provisions and State laws, and companies' guidelines.

Metropolitan Group Property and Casualty Insurance Company

Non-Renewals

Homeowners

In a sample of homeowner non-renewals, eight (8) files did not provide the letter of non-renewal for review and one (1) non-renewal used a reason not in company filed underwriting guidelines.

Metropolitan Casualty Insurance Company

Non-Renewals

Private Passenger Automobile

In a sample of private passenger automobile non-renewals, six (6) non-renewals used nonspecific reasons, thirteen (13) files did not provide required proof of mailing and sixteen (16) files for review did not provide the actual letter of non-renewal for review.

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Metropolitan Casualty Insurance Company

Cancellations

In a sample of underwriting cancellations, five (5) files were not able to provide the examiners the actual letter of cancellation and the required proof of mailing for review. In a sample of non-pay cancellations, one (1) cancellation was determined to be a short notice.

Standard 17: Cancellation/non-renewal notices comply with policy provisions and State laws, including the amount of advance notice provided to the insured and other parties to the contract.

See above.

Standard 18: Unearned premiums are correctly calculated and returned to appropriate party in a timely manner, and in accordance with applicable statutes, rules and regulations.

The companies appear to be in compliance.

Standard 19: Rescissions are not made for non-material misrepresentation.

The companies appear to be in compliance.

Standard 20: All policies are correctly coded.

The companies appear to be in compliance.

G. Claims

Standard 1: The initial contact by the companies with the claimant is within the required time frame.

The companies appear to be in compliance.

Standard 2: Timely investigations are conducted.

The companies appear to be in compliance.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 3: Claims are resolved in a timely manner.

The companies appear to be in compliance.

Standard 4: The companies respond to claim correspondence in a timely manner.

The companies appear to be in compliance.

Standard 5: Claim files are adequately documented.

The companies appear to be in compliance.

Standard 6: Claim files are handled in accordance with policy provisions and applicable statutes, rules and regulations.

Private Passenger Automobile

Metropolitan Group Property and Casualty Insurance Company

In a sample of property damage liability claims, two (2) claims were determined to have claim delays and one (1) claim had a claim handling error.

In a sample of collision claims, it was determined that two (2) claims had overpayments, two (2) claims had delays, and two (2) claims with total loss valuations did not substantiate the amounts deducted.

In a sample of bodily injury claims, there was one (1) claim delay and one (1) claim handling error.

Metropolitan Casualty Insurance Company

In a sample of property damage liability claims, three (3) claims did not consider loss of use in the settlement, two (2) claims had delays and one (1) claim had an incorrect payment.

In a sample of collision claims, there was one (1) claim with a condition adjustment deduction error and two (2) claims were determined steer repairs to company care shops in violation of prohibition against such practices.

In a sample of comprehensive claims, two (2) files had condition adjustment errors and one (1) claim had a claim delay error.

In a sample of subrogated claims, two (2) claims did not process insureds deductible correctly, company reimbursed insureds a total of \$950. One file (1) in the sample had a condition adjustment error.

In a sample of closed without payment claims, there were four (4) claims that did not consider loss of use in the settlement, one (1) claim had a claim delay and one (1) claim had a condition adjustment error.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Homeowners

Metropolitan Group Property and Casualty Insurance Company

In a sample of homeowner paid claims, in twenty (20) instances, the company failed to include in the partial denials of homeowner claims the Connecticut Insurance Department contact information as required by Connecticut General Statute, Section 38a-323b. Two (2) claims were determined to have a claim handling errors.

In a sample of homeowner closed without payment claims, four (4) claims were found to have claim handling errors and two (2) claims failed to include Connecticut Insurance Department contact information for the denials.

Standard 7: The companies use the reservation of rights and excess of loss letters when appropriate.

The companies appear to be in compliance.

Standard 8: Deductible reimbursement to insureds upon subrogation recovery is made in a timely and accurate manner.

The companies appear to be in compliance.

Standard 9: The companies' claim forms are appropriate for the type of product.

The companies appear to be in compliance.

Standard 10: Claim files are reserved in accordance with the companies' established procedures.

The companies appear to be in compliance.

Standard 11: Denied and closed without payment claims are handled in accordance with policy provisions and State law.

The companies appear to be in compliance.

Standard 12: Cancelled benefit checks and drafts reflect appropriate claim handling procedures.

The companies appear to be in compliance.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

Standard 13: Claim handling practices do not compel claimants to institute litigation, in cases of clear liability and coverage, to recover amounts due under policies by offering substantially less than is due under the policy.

The companies appear to be in compliance.

Standard 14: The companies use licensed adjusters and (Connecticut) appraisers in the handling of casualty claims.

Two (2) adjusters were not licensed as required by Connecticut General Statutes, Section 38a-792.

Standard 15: Loss statistical coding is complete and accurate.

The companies appear to be in compliance.

Standard 16: Release by injured person voidable if obtained within fifteen days.

The companies appear to be in compliance.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

III. SUMMARY OF RECOMMENDATIONS

Report
Section

II. D Producer Licensing:
New Business

It is required that Metropolitan Casualty Insurance Company complies with Connecticut General Statutes, Sections 702m regarding the appointment of producers.

II. F. Underwriting and Rating:
Automobile Declinations

It is required that Metropolitan Group Property and Casualty Insurance Company and Metropolitan Casualty Insurance Company comply with Connecticut General Statutes Section 38a-15 and 38a-323 with regard to automobile declinations.

II. F. Underwriting and Rating:
Homeowner-Declinations

It is required that Metropolitan Group Property and Casualty Insurance Company complies with Connecticut General Statutes Section 38a-15 and 38a-323 with regard to homeowner declinations.

II. F. Underwriting and Rating:
Automobile Non-Renewals

It is required that Metropolitan Casualty Insurance Company complies with Connecticut General Statutes Section 38a-323, of the Connecticut General Statutes and Bulletin PC-88 with regard to the non-renewal of automobile policies.

II. F. Underwriting and Rating:
Homeowner Non-Renewals

It is required that Metropolitan Group Property and Casualty Insurance Company complies with Connecticut General Statutes Section 38a-323 and Bulletin PC-88 with regard to the non-renewal of homeowner policies.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

II. F. Underwriting and Rating:
Automobile Cancellations

It is required that Metropolitan Casualty Insurance Company complies with Connecticut General Statutes Section 38a-323 and Bulletin PC-88 with regard to the cancellation of automobile policies.

II. G. Claims:
Casualty Claims Adjusters

It is required that Metropolitan Group Property and Casualty Insurance Company complies with Connecticut General Statutes Section 38a-792 with regard to the licensing of casualty claims adjusters.

II. G. Claims:
Homeowner

It is required that Metropolitan Group Property and Casualty Insurance Company complies with Connecticut General Statutes, Section 38a-816, with regard to the settlement of homeowner claims.

II. G. Claims:
Automobile

It is required that Metropolitan Group Property and Casualty Insurance Company and Metropolitan Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-816, with regard to the settlement of automobile claims.

Metropolitan Group Property and Casualty Insurance Company
Metropolitan Casualty Insurance Company

IV. ACKNOWLEDGMENT

The courtesy and cooperation of Metropolitan Group during the course of this examination is acknowledged.

Mark J. Duffy, James Stowe, Nicholas Gill and La-Keya Daniels participated in the examination and preparation of this report.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

----- x
IN THE MATTER OF:
METROPOLITAN GROUP PROPERTY
AND CASUALTY INSURANCE COMPANY
----- x

DOCKET MC 22-04

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Metropolitan Group Property and Casualty 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 Metropolitan Group Property and Casualty Insurance Company:

1. Metropolitan Group Property and Casualty Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Rhode Island and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 34339.
2. On April 7, 2021, the Farmers Insurance Group® acquired eight insuring entities which were part of MetLife Auto and Home®, including Respondent. Respondent is now known as Farmers Group Property and Casualty Insurance Company.
3. From June 3, 2021 through November 12, 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.
4. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - a) improper declinations of private passenger automobile policies
 - b) improper declination of homeowner policies
 - c) improper non-renewal of homeowner policies
 - d) individuals acting as casualty adjusters without required license
 - e) improper settlement of homeowner claims

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P.O. Box 816 Hartford, CT 06142-0816

Affirmative Action/Equal Employment Opportunity Employer

5. The conduct described in paragraph three is in violation of Sections 38a-15, 38a-323, 38a-792 and 38a-816 of the Connecticut General Statutes, 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 one hundred twenty (120) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$34,000 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 Thirty-Four Thousand Dollars \$34,000 for the violations herein above described.

Metropolitan Group Property and Casualty Insurance Company, currently known as
Farmers Group Property and Casualty Insurance Company

By: 
(Representative of Insurance Company)

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 March 21, 2022 before me, Ross Lee Guindon Notary Public
(Here insert name and title of the officer)

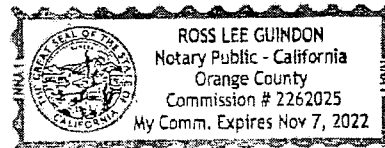
personally appeared Victoria L. McCarthy
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their 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
(Title or description of attached document)
Order
(Title or description of attached document continued)
 Number of Pages 2 Document Date 03-21-22

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.

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 Metropolitan Group Property and Casualty Insurance Company, currently known as Farmers Group Property and Casualty Insurance Company, that she/he is the _____ of such company, and she/he has authority to execute and file such instrument.

By: _____

STATE OF CA

SS

COUNTY OF Orange

On the 21 day of March 2022, before me personally appeared Victoria L. McFarthy, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

Attached California Notary Form Per California Law

Notary Public/Commissioner of The Superior Court

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 29 day of March 2022.



Andrew N. Mais
Insurance Commissioner



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

----- x
IN THE MATTER OF: DOCKET MC 22-05
METROPOLITAN CASUALTY
INSURANCE COMPANY :
-----x

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Metropolitan Casualty 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 Metropolitan Casualty Insurance Company:

1. Metropolitan Casualty Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Rhode Island and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 40169.
2. On April 7, 2021, the Farmers Insurance Group® acquired eight insuring entities which were part of MetLife Auto and Home®, including Respondent. Respondent is now known as Farmers Casualty Insurance Company.
3. From June 3, 2021 through November 12, 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.
4. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - a) Individual acting as a producer without required appointment
 - b) Improper private passenger automobile declinations
 - c) Improper private passenger automobile non-renewals
 - d) Improper private passenger automobile cancellations

5. The conduct described in paragraph three is in violation of Sections 38a-15, 38a-323, 38a-702m of Connecticut General Statutes, 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 one hundred twenty (120) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$34,500 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 Thirty-Four Thousand Five Hundred Dollars \$34,500 for the violations herein above described.

Metropolitan Casualty Insurance Company, currently known as Farmers Casualty Insurance Company

By: 
(Representative of Insurance Company)

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 }

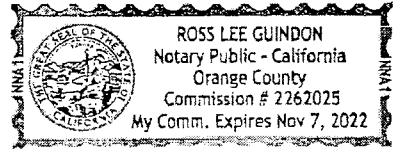
On March 21, 2022 before me, Ross Lee Guindon, Notary Public
(Here insert name and title of the officer)

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
(Title or description of attached document)
Order
(Title or description of attached document continued)
Number of Pages 3 Document Date 03/21/22

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.

