



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Root Insurance Company

April 5, 2022

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Root Insurance Company using a sample period of January 1, 2020 through December 31, 2020. The examination survey was limited to Connecticut personal and commercial insurance business.

Root Insurance Company is domiciled in the state of Ohio. 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
- Failure to maintain complaint register in proper format
- Thirty-Four (34) instances where the Respondent failed to undertake to pay Loss of Use
- Five (5) early settlements 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 22-23

ROOT INSURANCE COMPANY:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Root 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 Root Insurance Company:

1. Root Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Ohio and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 10974.
2. From January 15, 2022 through March 22 2022, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2020 through December 31, 2020.
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) Individuals acting as producers without required license
 - (b) Individuals acting as producers without required appointment
 - (c) Five (5) instances of an early bodily injury settlements
 - (d) Failure to undertake to pay loss of use coverage to property damage liability claimants
 - (e) Failure to maintain complaint register in required format per regulation
4. The conduct described in paragraph three is in violation of Sections 38a-702b, 38a-702m, 52-572 of the Connecticut General Statutes, and 38a-334-2(c), 38a-334-5(a), 38a-819-52 and 38a-819-53 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 \$43,500 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 Forty-Three Thousand Five Hundred Dollars (\$43,500) for the violations herein above described.

Root Insurance Company

David Fogarty

By: _____
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 13th day of April 2022, for and on behalf of Root Insurance Company; that she/he is the Vice President of Compliance of such company, and she/he has authority to execute and file such instrument.

By: DocuSigned by: David Fogarty 590ARCBAB8FF4C4



STATE OF OHIO

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COUNTY OF Franklin

On the 13 day of April 2022, before me personally appeared David Fogarty, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

Olivia Tempel
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.

[Signature]
Andrew N. Mais
Insurance Commissioner