

Encompass Home and Auto Insurance Company
Encompass Indemnity Company
Encompass Insurance Company of America

Docket No.
MC14-11-006

Market Conduct Examination as of the
Close of business on November 21, 2014

ORDER

A limited scope target market conduct examination of Encompass Home and Auto Insurance Company, Encompass Indemnity Company and Encompass Insurance Company of America, hereinafter referred to as “Respondents”, was conducted in accordance with Article IX of the Insurance Department Act, 40 P.S. §323.1, et seq., for the period of January 1, 2010 through present.

The examination identified concerns in Respondents’ private passenger automobile rating practices. As a result, Respondents have agreed to make restitution to affected policyholders totaling approximately \$2.6 million, including interest.

Based on the documentation and information submitted by Respondents, the Department is satisfied that Respondents have taken corrective measures to remedy the rating practices at issue.

It is hereby ordered as follows:

1. Respondents shall comply with Pennsylvania statutes and regulation.
2. Respondents shall make restitution to affected policyholders within ninety (90) days of the date of this Order.

3. Respondents shall provide the Department with a report of the final number of policies impacted, as well as the dollar amount of all refunds and/or credits, within 30 days of completing the restitution process. Said report shall be in spreadsheet format and include a list of the policies receiving restitution by policy number, number of policy periods or terms covered by the restitution, dollar amount of the refund and interest amount, and whether the restitution came via a refund or credit.

4. Respondents shall file an affidavit stating under oath that they will provide each of its directors, at the next scheduled directors meeting, a copy of this Order, and said affidavit shall affirm that the Respondents will take every opportunity to make the aforementioned restitution in accordance with the terms of this Order. Such affidavit shall be submitted within thirty (30) days of the date of this Order.

The Department, pursuant to Section 905(e)(1) of the Insurance Department Act (40 P.S. §323.5), will continue to hold this Order as private and confidential information for a period of thirty (30) days from the date of this Order.

BY: Insurance Department of the
Commonwealth of Pennsylvania

 (Date 11/21/14)
Arthur F. McNulty
Deputy Insurance Commissioner