

**CENTRAL
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May 8, 2018

Sent via Email (mark.duffy@ct.gov) and Regular U.S. Mail

Mark J. Duffy, Principal Examiner
Market Conduct Division
State of Connecticut Insurance Department
PO Box 816
Hartford, CT 06142-0816

RE: Follow-up Response to Stipulation and Consent Order ("Order"), Docket MC 18-10
Full Report of Findings and Summary of Actions Taken to Comply with Order

Dear Mr. Duffy:

Pursuant to the requirements of Paragraphs Two and Three of the above-referenced Order, Central Mutual Insurance Company ("Central") has performed a complete review of its policies and practices related to the area of concern identified by the Connecticut Insurance Department ("Department"). Specifically the Department determined that Central had a "lack of procedures to adequately document names of individual producers who wrote new business policies". Following its review, Central is instituting the following changes to remedy the issue identified in the Order.

The fundamental issue identified by Central in its review was that it was not collecting the individual producer name at the time a new policy was issued. Central currently has a process in place to ensure that all producers within each of Central's independent agency partners are properly licensed and appointed but did not previously have a process in place to know which producer actually sold each new policy on behalf of Central. Following the identification of this issue, Central's Information Technology Department implemented an update to its policy issuance systems to allow for the individual producer name and individual producer license number to be captured at the time a new policy is issued (prior to this system update only agency information, not individual agent information, was collected along with each new policy issued). Beginning on May 2, 2018, Central now requires that all new business submitted by its agencies include the individual producer name and producer license number in addition to the other previously provided policy application information in order for a new policy to be issued.

Mark J. Duffy, Principal Examiner

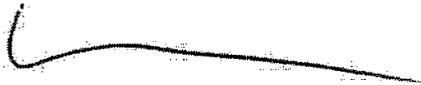
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This change ensures that Central will always be able to identify the names of individual producers (as well as being able to verify that they are properly licensed and appointed at time of policy issuance) for each new insurance policy issued. In addition to now being able to capture individual producer name and license number with all new policies issued going forward, Central will also perform periodic sample audits of these updated procedures to verify ongoing compliance with this requirement.

Please let me know if you have any questions or concerns regarding the above-referenced change to Central's procedures related to our ability to adequately document names of individual producers when writing new business on behalf of Central.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher E. Wasson". The signature is written in a cursive style with a long horizontal stroke at the end.

Christopher E. Wasson
General Counsel