

STATE OF CONNECTICUT
INSURANCE DEPARTMENT

Market Conduct Report

of

Horace Mann Property and Casualty Insurance Company

October 1, 2019

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Horace Mann Property and Casualty Insurance Company using a sample period of January 1, 2017 through December 31, 2017. The examination survey was limited to Connecticut insurance business.

Horace Mann Property and Casualty Insurance Company is domiciled in the State of Illinois. 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:

- Seven (7) instances of Horace Mann Property and Casualty Insurance Company settling bodily injury liability claims within fifteen days.
- Two (2) instances where NICB was not notified for the total constructive loss of a vehicle

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

----- X
IN THE MATTER OF:

HORACE MANN PROPERTY AND CASUALTY
INSURANCE COMPANY

DOCKET MC 19-65

-----X

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Horace Mann 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 Horace Mann Property and Casualty Insurance Company

1. Horace Mann Property and Casualty Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of Illinois and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 22756.
2. From March 1, 2019 through October 1, 2019, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period (January 1, 2017 through December 31, 2017).
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) Bodily injury claims settled within 15 days
 - b) Failure to notify NICB regarding total constructive losses
4. The conduct described in paragraph three is in violation of Sections 52-572(a), 38a-357(b) and 38a-816 of the Connecticut General Statutes and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-41 and 38a-817 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
5. WHEREAS, Respondent agrees to pay a fine in the amount of \$18,000 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 Eighteen Thousand Dollars) (\$18,000) for the violations herein above described.

Horace Mann Property and Casualty Insurance Company

By: *Erick A. Baxter*
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 8th day of NOVEMBER 2019, for and on behalf of Horace Mann Property and Casualty Insurance Company; that she/he is the Vice President of such company, and she/he has authority to execute and file such instrument.

By: Eric A. Butler

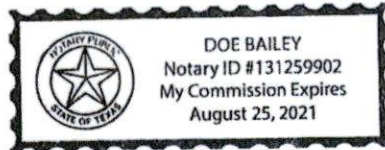
STATE OF Illinois

SS

COUNTY OF Willard

On the 8th day of November 2019, before me personally appeared _____, sealer

of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.



Doe Bailey
Notary Public/Commissioner of The Superior Court

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 19th day of November 2019.

Andrew N. Mais
Insurance Commissioner