

9800 Fredericksburg Road
San Antonio, Texas 78288



REC'D CT INSURANCE DEP
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July 7, 2021

Mark Duffy
State of Connecticut Insurance Department
Market Conduct Division
153 Market Street, 7th Floor
Hartford, CT 06103

Re: Market Conduct Examination
USAA Casualty Insurance Company
USAA General Indemnity Company
United Services Automobile Association

Mr. Duffy,

As required by the Stipulation and Consent Orders, USAA Casualty Insurance Company, USAA General Indemnity Insurance Company, and United Services Automobile Association ("USAA") conducted a review of its practices and procedures with respect to the recommendations described in the Market Conduct Report and the Consent and Stipulation Orders and offers the following report of actions taken to rectify the areas of concern identified in the Market Conduct Report.

III. SUMMARY OF RECOMMENDATIONS

Report Section

II. F. Underwriting and Rating:

Personal Lines – Homeowner Rating

It is required that USAA General Indemnity Company, United Services Automobile Association and USAA Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-686, with regard to homeowner rating.

Response:

USAA will continue to comply with Connecticut General Statutes, Section 38a-686.

II. F. Underwriting and Rating:

Personal Lines – Homeowner Rating

It is required that USAA General Indemnity Company, United Services Automobile Association and USAA Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-316b, with regard to the application of discount for having impact-resistant glass or storm shutters.

Response:

USAA will submit a filing in Q3 2021 to correct the issue and plan on approval and implementation by Q1 2022. Once filed and approved, USAA will remediate all affected policies 01/01/2016 and forward to bring us into compliance with General Statutes, Section 38a-316b.



II. G. Claims:

Automobile Total Loss Settlements

It is required that USAA General Indemnity Company, United Services Automobile Association and USAA Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-15, with regard to the settlement of automobile total loss valuation claims.

Response:

USAA has taken steps to ensure compliance with statutory requirements regarding total loss settlements pursuant to Connecticut General Statutes Section 38a-15. USAA has addressed and corrected this concern to ensure appropriate justifications for condition ratings going forward.

II. G. Claims:

Homeowner

It is required that USAA General Indemnity Company and United Services Automobile Association comply with Connecticut General Statutes, Section 38a-816, with regard to the settlement of homeowner claims.

Response:

USAA has reviewed our guidelines and procedures and determined that they are in compliance with the applicable law.

II. G. Claims:

Automobile

It is required that USAA General Indemnity Company and United Services Automobile Association comply with Connecticut General Statutes, Section 38a-816, with regard to the settlement of automobile claims.

Response:

USAA has reviewed our guidelines and procedures and determined that we are in compliance with the applicable law.

II. G. Claims:

Automobile

Bodily Injury Settlements

It is required that USAA General Indemnity Company comply with Connecticut General Statutes, Section 52-572a with regard to the settlement of automobile bodily injury claims.

Response:

USAA has taken steps to ensure compliance with statutory requirements regarding settlement of bodily injury claims pursuant to Connecticut General Statutes, Section 52-572a. USAA has addressed and corrected this concern including updating internal guidelines and implementing automated controls.



II. G. Claims:

Automobile

It is required that USAA General Indemnity Company, United Services Automobile Company and USAA Casualty Insurance Company comply with Connecticut Regulations, 38a-334-2(c) and 38a-334-5(a) with regard to property damage liability claims regarding loss of use consideration.

Response:

USAA has implemented a weekly audit to ensure the appropriate processes are followed regarding loss of use consideration to comply with Connecticut Regulations, 38a-334-2(c) and 38a-334-5(a).

II. G. Claims:

Casualty Claims Adjusters

It is required that USAA General Indemnity Company, United Services Automobile Services and USAA Casualty Insurance Company comply with Connecticut General Statutes, Section 38a-792 with regard to licensing of casualty adjusters.

Response:

USAA has implemented a monthly audit to ensure compliance to comply with Connecticut General Statutes, Section 38a-792.

For 3rd Party Licensing, USAA now requires suppliers to submit a monthly licensing report to ensure compliance with Connecticut General Statutes, Section 38a-792.

II. G. Claims:

Motor Vehicle Appraisers

It is required that United Services Automobile Services complies with Connecticut General Statutes, Section 38a-790 with regard to licensing of motor vehicle physical damage appraisers.

Response:

USAA has implemented a monthly audit to ensure compliance with Connecticut General Statutes, Section 38a-792.

For 3rd Party Licensing, USAA now requires suppliers to submit a monthly licensing report to ensure compliance with Connecticut General Statutes, Section 38a-792.

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Please let me know if you have any questions.

Thank you.

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