IN THE DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION STATE OF MISSOURI

***In Re*:**	)	
	)	
HARTFORD UNDERWRITERS INSURANCE COMPANY (NAIC # 30104)	))	**Market Conduct Exam No. 1104-35-TGT**

ORDER OF THE DIRECTOR

NOW, on this 3rd day of May, 2016, Director John M. Huff, after consideration and review of the market conduct examination report of Hartford Underwriters Insurance Company (NAIC #30104) (hereafter referred to as "Hartford Underwriters"), report number 1104-35-TGT, prepared and submitted by the Division of Insurance Market Regulation pursuant to §374.205.3(3)(a), and the Stipulation of Settlement and Voluntary Forfeiture ("Stipulation"), does hereby adopt such report as filed. After consideration and review of the Stipulation, report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4).

This order, issued pursuant to §374.205.3(4), §374.280, and §374.046.15. RSMo (Cum. Supp. 2013), is in the public interest.

IT IS THEREFORE ORDERED that Hartford Underwriters and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Hartford Underwriters shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Hartford Underwriters in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times.

IT IS FURTHER ORDERED that Hartford Underwriters shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of $62,541.67 payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 3rd day of May, 2016.

John M. Huff
Director

IN THE DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION STATE OF MISSOURI

In Re:	)	
	)	
HARTFORD UNDERWRITERS INSURANCE COMPANY (NAIC #30104)	))	**Market Conduct Exam No. 1104-35-TGT**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Hartford Underwriters Insurance Company (NAIC #30104) (hereinafter "Hartford Underwriters"), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter, "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri;

WHEREAS, Hartford Underwriters has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a Market Conduct Examination of Hartford Underwriters; and

WHEREAS, based on the Market Conduct Examination report of Hartford Underwriters, the Division alleges:

1. In several instances, Hartford Underwriters used forms that were not approved for use in Missouri in violation of 20 CSR 500-6.100(1).

2. In two instances, Hartford Underwriters did not use the correct expense constant in violation of §287.955.3[1].

3. In several instances, Hartford Underwriters did not use the correct Administrative Surcharge in small deductible policies in violation of §287.716.1.

4. In several instances, Hartford Underwriters did not complete the audit and bill or return premium within 120 days of policy expiration or cancellation in violation of §287.955.3 and 20 CSR 500-6.500(2)(A).

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1 All references, unless otherwise noted, are the Missouri Revised Statutes 2000, as amended.

5. In several instances, Hartford Underwriters did not maintain adequate file documentation in violation of §287.937.2, §374.205.2 (2) and 20 CSR 300-2.200.

6. In one instance, Hartford Underwriters did not attach a mandatory form to a policy in violation of §287.955.3.

7. In several instances, Hartford Underwriters did not follow the NCCI algorithm in violation of §287.955.3.

8. In two instances, Hartford Underwriters used an incorrect experience modification factor in violation of §287.955.1.

9. In several instances, Hartford Underwriters did not apply the Second Injury Fund surcharge rate to premium that would have been paid in the absence of the deductible credit in violation of §287.715 and §287.310.9.

10. In two instances, Hartford Underwriters did not file a negotiated rate option credit rate in violation of §287.947.

11. In several instances, Hartford Underwriters used an unfiled deductible credit factor in violation of §287.947.1 and 20 CSR 500-6.950.

12. In two instances, Hartford Underwriters did not file individual rate plans for large deductible policies in violation of §287.947.1.

13. In several instances, Hartford Underwriters did not apply the correct Administrative Surcharge rate to premium in violation of §287.716.1.

14. In several instances, Hartford Underwriters did not apply the correct schedule rating modification credit or debit to premium in violation of §287.950.1.

15. Hartford Underwriters did not issue a participating program for policyholders eligible for a Dividend Rating Plan in violation of §287.932.1 and 20 CSR 500-6.100(8).

16. In one instance, Hartford Underwriters did not keep the dividend payment separate from the rating plan in violation of §287.932.2.

17. In two instances, Hartford Underwriters did not include the phone number of the insured on large deductible policies in violation of §375.924.1.

18. In two instances, Hartford Underwriters did not send a notice to policyholders explaining that they could contact the insurer or producer with questions about an increase in the scheduled modification factor in violation of §379.893 and 20 CSR 500-4.11(7)(D)2.

19. In one instance, Hartford Underwriters did not include on the payroll all officers active in the work of the business in violation of §287.020.1.

WHEREAS, the Division and Hartford Underwriters have agreed to resolve the issues raised in the Market Conduct Examination through a voluntary settlement as follows:

A. Scope of Agreement. This Stipulation of Settlement and Voluntary Forfeiture embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. Remedial Action. Hartford Underwriters agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include, but not be limited to, the following:

1. Hartford Underwriters agrees to file with the Director Form Number WC 66 01 07 "Missouri Contracting Classification - Premium Adjustment Program - Worker's Compensation" and Form Number G 3058 "Policy Adjustment Notice." The forms should be filed within 90 days of the final order of the Director.

2. Hartford Underwriters agrees that it will make individual risk filings with the Director for all large deductible workers compensation insurance policies with Missouri premium or exposure. Such filings shall be made within 30 days after the effective date of the policy.

3. Hartford Underwriters agrees, to the extent that it has not already done so, to make payment of restitution to policyholders for overcharges that are set out in the Final Market Conduct Examination Report, together with interest at the rate of 9% per annum as required by §408.020. A letter must be included with the payment, indicating that "as a result of a Missouri Market Conduct examination," it was found that a refund was due to the insured.

4. Hartford Underwriters agrees, to the extent that it has not already done so, to make payment to the Second Injury Fund and to the Department of Revenue for any underpayments to the Second Injury Fund and to the Administrative Surcharge Fund that are set out in the Final Market Conduct Examination Report. If the Second Injury Fund is owed additional payments, such payments shall be made to the fund with any applicable interest and

penalties together with any amended filings required by the Division of Workers Compensation. If the Administrative surcharge was underpaid, such payments that are owed, with any applicable interest and penalties, shall be paid to the Department of Revenue. In addition, if underpayments are discovered, the Company must file an amended return on its Administrative Surcharge calculation in a manner satisfactory to the Premium Tax Section of the Department.

5. Hartford Underwriters agrees to review all deductible workers compensation insurance policies with Missouri premium or exposure issued from January 1, 2009 to the date of the order issued by the Director closing these exams to determine if the insured is entitled to any refund of premium or if the Second Injury Fund or Administrative Surcharge was incorrectly paid. If the policyholder is entitled to a refund of premium, the Company must issue any refund due to the insured, bearing in mind that an additional payment of nine per cent (9%) interest per annum is also required, pursuant to §408.020. A letter must be included with the payment, indicating that "as a result of a Missouri Market Conduct examination," it was found that a refund was due to the insured. If the Second Injury Fund is owed additional payments, such payments shall be made to the fund with any applicable interest and penalties together with any amended filings required by the Division of Workers Compensation. If the Administrative surcharge was underpaid, such payments that are owed, with any applicable interest and penalties, shall be paid to the Department of Revenue. In addition, if underpayments are discovered, the Company must file an amended return on its Administrative Surcharge calculation in a manner satisfactory to the Premium Tax Section of the Department.

6. Hartford Underwriters agrees that audits on workers compensation insurance policies with Missouri premium or exposure will be completed, billed and premiums returned within 120 days of policy expiration or cancellation unless a) a delay is caused by the policyholder's failure to respond to reasonable audit requests provided that the requests are timely and adequately documented or b) a delay is caused by the mutual agreement of the policyholder and the Company, provided that the mutual agreement is adequately documented by the Company.

C. **Compliance.** Hartford Underwriters agrees to file documentation with the Division within 120 days of the entry of a final order of all remedial action taken to implement compliance with the terms of this stipulation and to document the payment of restitution required by this Stipulation, including payments made to the Second Injury Fund or to the Department of

Revenue.

D. Voluntary Forfeiture. Hartford Underwriters agrees, voluntarily and knowingly, to surrender and forfeit the sum of $62,541.67, such sum payable to the Missouri State School Fund in accordance with §374.280.

E. Other Penalties. The Division agrees that it will not seek penalties against Hartford Underwriters, other than those agreed to in this Stipulation, for the conduct found in Market Conduct Exam Report 1104-35-TGT.

F. Non-Admission. Nothing in this Stipulation shall be construed as an admission by Hartford Underwriters of any violation of Missouri law or regulation, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct examination.

G. Waivers. Hartford Underwriters, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the above referenced Market Conduct Examinations.

H. Changes. No changes to this stipulation shall be effective unless made in writing and agreed to by all signatories to the stipulation.

I. Governing Law. This Stipulation of Settlement and Voluntary Forfeiture shall be governed and construed in accordance with the laws of the State of Missouri.

J. Authority. The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation of Settlement and Voluntary Forfeiture.

K. Effect of Stipulation. This Stipulation of Settlement and Voluntary Forfeiture shall not become effective until entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.

L. Request for an Order. The signatories below request that the Director issue an Order approving this Stipulation of Settlement and Voluntary Forfeiture and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 4/21/2016

Angela L. Nelson
Director, Division of Insurance
Market Regulation

DATED: 4/21/2016

Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

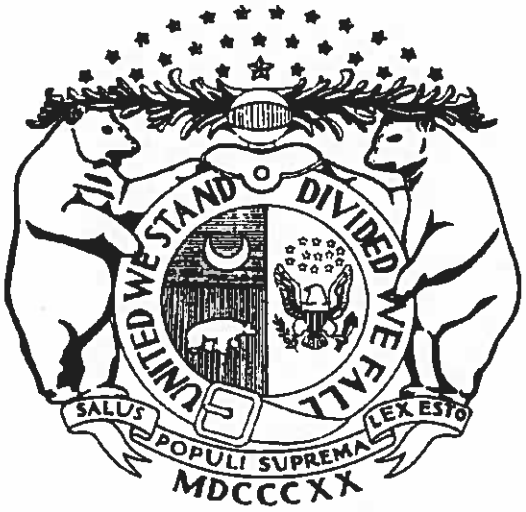
DATED: 4/8/16

Karmela Malone
Vice President P&C Compliance
Hartford Underwriters Insurance Company

DATED: 4/15/16

Richard S. Brownlee, III
Counsel for Hartford Underwriters Insurance Company

STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND
PROFESSIONAL REGISTRATION



FINAL MARKET CONDUCT EXAMINATION REPORT
of the Property and Casualty Business of

Hartford Underwriters Insurance Company
NAIC Group #0091
NAIC #30104

MISSOURI EXAMINATION # 1104-35-TGT

NAIC EXAM TRACKING SYSTEM # MO341-M80

April 27, 2016

Hartford Underwriters Insurance Company
One Hartford Plaza
Hartford, Connecticut 06115

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FOREWORD

This is a targeted market conduct examination report of Hartford Underwriters Insurance Company (NAIC Code #30104). This examination was conducted at the Missouri Department of Insurance, Financial Institutions, and Professional Registration's Kansas City office at 615 East 13th Street, Room 506, Kansas City, Missouri 64106.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products or files does not constitute approval thereof by the DIFP.

During this examination, the examiners cited errors made by the Company. Statutory citations were as of the examination period unless otherwise noted.

When used in this report:

- "Company" refers to Hartford Underwriters Insurance Company;
- "CSR" refers to the Missouri Code of State Regulation;
- "DIFP" refers to the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- "Director" refers to the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration;
- "HUIC" refers to Hartford Underwriters Insurance Company;
- "NAIC" refers to the National Association of Insurance Commissioners;
- "RSMo" refers to the Revised Statutes of Missouri;
- "MOCCPAP" refers to Missouri Contracting Classification Premium Adjustment Program;
- "NCCI" refers to the National Council on Compensation Insurance;
- "ELPPF" refers to Excess Loss Pure Premium Factor;
- "SIF" refers to Second Injury Fund.

SCOPE OF EXAMINATION

The DIFP has authority to conduct this examination pursuant to, but not limited to, §§374.110, 374.190, 374.205, 375.445, 375.938, and 375.1009, RSMo.

The purpose of this examination was to determine if the Company complied with Missouri statutes and DIFP regulations and to consider whether the Company's operations are consistent with the public interest. The primary period covered by this review is January 1, 2006 through the present unless otherwise noted. Errors outside of this time period discovered during the course of the examination may also be included in the report.

The examination included a review of the following areas of the Company's operations for the lines of business reviewed:

Workers' Compensation Underwriting, Rating, and Policyholder Services.

The examination was conducted in accordance with the standards in the NAIC's *Market Regulation Handbook*. As such, the examiners utilized the benchmark error rate guidelines from the *Market Regulation Handbook* when conducting reviews that applied a general business practice standard. The NAIC benchmark error rate for claims practices is seven percent (7%) and for other trade practices is ten percent (10%). *Note: Most Workers' Compensation laws do not apply a general business practice standard. No error rates were contemplated in these reviews unless the violation(s) were applicable to Missouri's Unfair Trade Practices Act.*

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products and files. Therefore, some noncompliant practices, procedures, products and files may not have been discovered. As such, this report may not fully reflect all of the practices and procedures of the Company. As indicated previously, failure to identify or criticize improper or noncompliant business practices in this state or other jurisdictions does not constitute acceptance of such practices.

Policies with multiple violations were also accounted for in other sections of the report. The policies listed with no overpayment, may have amounts listed elsewhere in the report or were not listed, as premium overcharge amounts of $5 or less, are not tracked by the Missouri DIFP for insured reimbursement purposes. Some policies may have SIF and Administrative Surcharge undercharge and overcharge amounts that may not be shown in one section of the report, but may be listed in other sections of the report to avoid duplication.

COMPANY PROFILE

The following company profile was provided to the examiners by the Company.

Hartford Underwriters Insurance Company

Home Office/Principal Executive Office:

One Hartford Plaza, Hartford, Connecticut 06155-0001

Date of Entry Into Holding Company System And Method By Which Control Was Acquired And Is Maintained:

Form of Organization and State of Domicile

Hartford Underwriters Insurance Company is a property and casualty insurance writing company and a corporation organized under the laws of the State of Connecticut.

In 1925, New York Underwriters Insurance Company was incorporated as a wholly-owned subsidiary of Hartford Fire Insurance Company. In 1988 the company changed its name to Hartford Underwriters Insurance Company. At the present time the company is a wholly-owned subsidiary of Hartford Fire Insurance Company, which is, in turn, a wholly-owned subsidiary of The Hartford Financial Services Group, Inc., the ultimate controlling person. It has not participated in any mergers or acquisitions for the period January 1, 2006 through the present.

EXECUTIVE SUMMARY

The DIFP conducted a targeted market conduct examination of Hartford Underwriters Insurance Company (HUIC). The examiners found the following principal areas of concern:

- The examiners found 26 instances where the Company utilized forms that had been used but not filed with the DIFP.
- The examiners discovered during a Company self-audit that in two instances the Company failed to use the correct expense constant.
- The examiners discovered during a Company self-audit that in eight instances the Company failed to use the correct administrative surcharge rate.
- The examiners discovered in seven instances where the Company failed to complete the audit and bill or return premium concerning the following seven policies within one hundred twenty (120) days of policy expiration or cancellation.
- The examiners found eight instances where the Company failed to document the underwriting file with the basis for the scheduled modification debits or credits applied to policies, failed to apply a debit or credit, or added and removed debits and credits without a material change in the risk.
- The examiners found in one instance where the Company failed to attach a mandatory form with the policy at renewal.
- The examiners found in 59 instances where the Company failed to adhere to the manual rules of the National Council on Compensation Insurance (NCCI) by failing to follow the NCCI algorithm.
- The examiners found three instances where the Company failed to adhere to the uniform classification system and uniform experience rating plan.
- The examiners found in 42 instances where the Company failed to apply the SIF surcharge to the correct premium amount.
- The examiners found in two instances where the Company failed to file the Negotiated Rating Option (NRO) Credit rate with the DIFP.
- The examiners found in 25 instances where the Company failed to file the deductible credit factor with the DIFP.
- The examiners found in two instances where the Company failed to file the individual risk large deductible credit factor with the DIFP.
- The examiners found in five instances where the Company failed to use the administrative surcharge factor to the correct premium amount.
- The examiners found in four instances where the Company failed to use the correct scheduled rating modification credit factor.
- The examiners found one instance where the Company issued a participating dividend policy in a non-participating dividend company. Other policies within the same company were not issued a participating policy.
- The examiners found in one instance where the Company considered the dividend when rating the policy.

- The examiners found in 32 instances where the Company failed to apply the administrative surcharge to the correct premium amount.
- The examiners found two instances where the Company was found to be in violation of Missouri's Unfair Trade Practices Act by not including its phone number within the policy or contract or in written form annexed to the policy.
- The examiners found two instances where the Company failed to send a notice to the insured with instructions explaining that any inquiry concerning an increase in the scheduled modification factor that would have the effect of increasing the premium may be directed to the insurer or producer.
- The examiners found one instance where the Company failed to include the payroll of its officers in the process of rating and determining the policy premium amount.

Examiners requested that the Company make refunds concerning underwriting premium overcharges found for amounts greater than $5.00 during the examination.

Various non-compliant practices were identified, some of which may extend to other jurisdictions. The Company is directed to take immediate corrective action to demonstrate its ability and intention to conduct business according to the Missouri insurance laws and regulations. When applicable, corrective action for the jurisdictions should be addressed.

The examiners tracked and were mindful of the results, Company responses and public disciplinary action(s) of prior examinations concerning the Hartford Underwriters Insurance Company. The DIFP examination tracking system indicated no Missouri market conduct examinations had been performed for this company.

EXAMINATION FINDINGS

I. UNDERWRITING AND RATING PRACTICES

This section of the report is designed to provide a review of the Company's underwriting and rating practices. These practices included the use of policy forms, adherence to underwriting guidelines, assessment of premium, and procedures to decline or terminate coverage. Examiners reviewed how the Company handled new and renewal policies to ensure that the Company underwrote and rated risks according to their own underwriting guidelines, filed rates, and Missouri statutes and regulations.

For efficiency purposes and where convenient, policies that the examiners feel violate the same statutes maybe listed together but are identified as being separate reviews.

The following list describes the reviews that were conducted during the course of the examination.

Name of Review	Type of Sample	Population Size	# of Files
Large Deductible	Census	2	2
Small Deductible	Random	199	79
MOCCPAP	Census	17	17
Complaints	Census	4	4

Total: 102 policy files.

The examiners reviewed a census sample of two files concerning large deductible policies. A random sample of 79 files were obtained and reviewed from a field of 199 concerning small deductible policies. A census sample of 17 MOCCPAP files were reviewed. An additional four complaint files were also reviewed in conducting their compliance testing.

A policy/underwriting file is reviewed in accordance with 20 CSR 100-8.040 and the NAIC *Market Regulation Handbook*. Error rates are established when testing for compliance with laws that apply a general business practice standard (e.g., §§375.930 – 375.948 and 375.445 RSMo.) and compared with the NAIC benchmark error rate of ten percent (10%). Error rates in excess of the NAIC benchmark error rate are presumed to indicate a general business practice contrary to the law. As most Workers' Compensation laws do not apply a general business practice standard, no error rates were contemplated in these reviews unless the violation(s) discovered fell within the scope of Missouri's Unfair Trade Practices Act.

The examiners requested the Company's underwriting and rating manuals for the line of business under review. This included all rates, guidelines, and rules that were in effect on

the first day of the examination period and at any point during that period to ensure that the examiners could properly rate each policy reviewed.

The examiners also reviewed the Company's procedures, rules, and forms filed by or on behalf of the Company with the DIFP. The examiners reviewed all Missouri files from a listing furnished by the Company.

The examiners also requested a written description of significant underwriting and rating changes that occurred during the examination period for underwriting files that were maintained in an electronic format.

An error can include, but is not limited to, any miscalculation of the premium based on the information in the file, an improper acceptance or rejection of an application, the misapplication of the company's underwriting guidelines, incomplete file information preventing the examiners from readily ascertaining the company's rating and underwriting practices, and any other activity indicating a failure to comply with Missouri statutes and regulations.

A. Forms and Filings

The examiners reviewed the Company's policy and contract forms to determine its compliance with filing, approval, and content requirements to ensure that the contract language was not ambiguous or misleading and is adequate to protect those insured.

1. The examiners discovered the following 26 policies which included one or more forms that were used by the Company but had not been approved for use in Missouri.

No.	Policy No.	Eff. Date	Unapproved Forms	Name of Review
1	22WEDO0504	10/24/2007	WC660330A WC660337D G-3058-0 WC660107C WC660343 G-3133-0	Small Deductible
2	22WEDO0504	10/1/2008	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible

No.	Policy No.	Eff. Date	Unapproved Forms	Name of Review
3	22WEDO0505	10/1/2008	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible
4	22WEIS6335	10/1/2008	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible
5	22WEIS6337	5/20/2008	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible
6	34WEII6715	2/7/2011	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible
7	34WEIL2866	5/25/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible
8	34WEIN4180	1/1/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384 WC990380	Small Deductible

No.	Policy No.	Eff. Date	Unapproved Forms	Name of Review
9	34WEIR5240	5/1/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible
10	34WEJL4235	4/10/2010	WC660330A WC660337F WC660343 G-3133-0 WC660384 WC660281C	Small Deductible
11	34WEZP3837	4/1/2010	WC660330A WC660337F WC660343 G-3133-0 WC660384 WC660281C WC990380	Small Deductible
12	37WBKC7474	7/1/2007	WC660330A WC660337D WC660343 G-3133-0	Small Deductible
13	37WEGL5326	2/1/2009	WC660330A WC660337F G-3058-0 WC660107C WC660343 G-3133-0 WC660384	Small Deductible
14	37WEII5964	5/15/2008	WC660330A WC660384 G-3133-0	Small Deductible
15	37WEII5964	5/15/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible

No.	Policy No.	Eff. Date	Unapproved Forms	Name of Review
16	37WERC3930	8/1/2010	WC660330A WC660384 WC660343 G-3133-0	Small Deductible
17	37WERE9614	1/2/2007	WC660330A WC660337D G-3058-0 WC660343 G-3133-0	Small Deductible
18	37WETA2623	9/1/2010	WC660330B WC660337F WC660343 G-3133-0 WC660384	Small Deductible
19	37WEVP4793	4/7/2011	WC660330B WC660337F WC660343 G-3133-0 WC660107C WC660384	Small Deductible
20	37WEZG7744	10/1/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible
21	83WEKA0376	11/1/2008	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible
22	83WESX7203	1/1/2006	WC660330A WC660337C WC660343 G-3133-0 G-3058-0	Small Deductible

No.	Policy No.	Eff. Date	Unapproved Forms	Name of Review
23	83WESZ9102	10/17/2007	WC660330A WC660337D WC660343 G-3133-0 G-3058-0	Small Deductible
24	83WEZF3524	8/1/2009	WC660330A WC660337F WC660343 G-3133-0 WC660384	Small Deductible
25	83WECLV5231	12/31/2010	WC660330B WC660337F WC660343 WC660384 G-3133-0 G-3058-0	Small Deductible
26	84WEPP7197	4/1/2008	WC660330A WC660337E WC660343 WC660384 G-3133-0 WC660107C	Small Deductible

Reference: §287.310.1. RSMo and 20 CSR 500-6.100(1).

B. Workers Compensation Policies Reviews

The examiners reviewed applications for coverage that were issued or modified by the Company to determine the accuracy of rating and adherence to prescribed and acceptable underwriting criteria.

As a result of market analysis and trending, two issues were discovered concerning Hartford Underwriters Insurance Company as described in the following two paragraphs.

1. The Company failed to use the correct expense constant ($160) resulting in the following two policy premium overcharges and SIF overpayment.

No.	Policy No.	Eff. Date	Exp. Date	Policy Overcharge	SIF Overpayment	Name of Review
1	84WESV7949	1/26/2010	1/26/2011	$5	$0.00	Small Deductible
2	84WECGK0659	4/23/2006	4/23/2007	$124	$3.00	Small Deductible

Reference: §287.955.3. RSMo.

2. The Company failed to use the correct administrative surcharge (0%) concerning year 2006 small deductible policies, resulting in the following eight policy premium file overcharges.

No.	Policy No.	Eff. Date	Administrative Surcharge	Premium Overcharge	Name of Review
1	83WENF2776	1/1/2006	1.00%	$67.00	Small Deductible
2	84WEPP7197	4/1/2006	1.00%	$115.00	Small Deductible
3	38WEPI1283	6/30/2006	1.00%	$31.00	Small Deductible
4	37WERC3930	8/1/2006	1.00%	$51.00	Small Deductible
5	34WEPL6962	9/1/2006	1.00%	$9.00	Small Deductible
6	37WETA2623	9/1/2006	1.00%	$32.00	Small Deductible
7	83WEKA0376	11/1/2006	1.00%	$148.00	Small Deductible
8	34WEBO2594	11/14/2006	1.00%	$29.00	Small Deductible

Reference: §287.716.1. RSMo.

1. **Underwriting and Rating Practices:**

The examiners requested a sample from the total population of Missouri Hartford Underwriters Insurance Company Workers Compensation Large Deductible policies and another concerning Small Deductible policies during the examination period.

The following are the results of the reviews:

1. The Company failed to complete the audit and bill or return premium concerning the following seven policies within one hundred twenty (120) days of policy expiration or cancellation. There was no documentation or evidence of a mutual agreement or that the delay was caused by the policyholder. The three following interest amounts listed represent the amount due the insured, as a result of the delayed payment of the refund amount.

No.	Policy No.	Eff. Date	Exp. Date	Est. Int. as of date of criticism	Invoiced/ Refund Due	Paid/Not Paid	Days Late	Name of Review
1	22WEDO0504	10/24/2007	10/1/2008		Invoiced		130	Small Deductible
2	34WEIN4180	1/1/2009	1/1/2010		Invoiced		79	Small Deductible
3	84WEPP7197	4/1/2008	4/1/2009		Invoiced		21	Small Deductible
4	37WEII5964	5/15/2009	5/15/2010		Invoiced		107	Small Deductible
5	22WEIS6337	5/20/2008	10/1/2008	$4.78	$4.78	Not Paid	172	Small Deductible
6	83WEKA0376	11/1/2008	11/1/2009	$8.26	$8.26	Not Paid	9	Small Deductible
7	83WEZF3524	8/1/2009	8/1/2010	$206.05	$206.05	Not Paid	74	Small Deductible

Reference: §287.955.3 RSMo, and 20 CSR 500-6.500(2)(A).

2. The Company failed to maintain file documentation necessary for the examiners to reconstruct how the policy premium was determined. The examiners were unable to determine how the scheduled modification was arrived at in the following eight policies.

No.	Policy No.	Eff. Date	Name of Review
1	34WEVY9063	1/1/2011	Small Deductible
2	37WEKG1142	3/29/2008	Small Deductible
3	37WEQT2309	4/1/2011	MOCCPAP
4	83WESZ9102	10/17/2007	Small Deductible
5	37WERC3930	8/1/2010	Small Deductible
6	37WEII5964	5/15/2009	Small Deductible
7	84WEPP7197	4/1/2008	Small Deductible
8	20WERT2519	11/30/2009	Small Deductible

Reference: §§287.937.2, 287.350, 374.205.2.(2) RSMo, and 20 CSR 300-2.200 [as replaced by 20 CSR 100-8.040(3)(A) eff. 1/30/2009.

3. The examiners found that the Company failed to adhere to the rules of the National Council on Compensation Insurance (NCCI)'s Basic Manual by failing to attach a mandatory form to the following policy.

No.	Policy No.	Eff. Date	Name of Review	Mandatory Form
1	39WNMF5370	3/1/2009	Small Deductible	MO P&C Guaranty Association Notification Form # WC240602B (Ed. 7-06)

Reference: §287.955.3. RSMo and NCCI Forms Manual.

4. The examiners found that the Company failed to adhere to the manual rules of the National Council on Compensation Insurance (NCCI) in writing and reporting its business regarding the following 59 policy files. The Company failed to follow the NCCI algorithm resulting in the following listed errors.

No.	Policy No.	Eff. Date	Prem. U/C	Prem. O/C	Est. Int. as of date of criticism	Total Prem.	Paid/Not Paid	Name of Review
1	20WERT9950	4/1/2009	$58					Small Deductible
2	37WEII6451	7/1/2008	$1,741					Small Deductible

No.	Policy No.	Eff. Date	Prem. U/C	Prem. O/C	Est. Int. as of date of criticism	Total Prem.	Paid/Not Paid	Name of Review
3	37WEIN8155	10/29/2008		$52	$12.18	$64.18	Not Paid	Small Deductible
4	37WECBG9235	8/12/2011	$3					Small Deductible
5	37WECRC2190	8/24/2008		$53	$13.97	$66.97	Not Paid	Small Deductible
6	22WEDO0503	10/1/2008	$14					Small Deductible
7	22WENY2292	6/1/2006		$13	$5.57	$18.57	Not Paid	Small Deductible
8	33WEAO3202	1/1/2008	-	$129	$37.09	$166.09	Not Paid	Small Deductible
9	33WETA3814	1/1/2007	$2,853					Small Deductible
10	34WEII6715	2/7/2009	$68					Small Deductible
11	37WECRC2190	8/24/2009	$47					Small Deductible
12	34WETA7037	12/31/2006		$2		$2.00	Not Paid	Small Deductible
13	34WEZG9916	8/15/2010		$32	$9.20	$41.20	Not Paid	Small Deductible
14	37WEPP2321	4/1/2006		$18	$7.93	$25.93	Paid	Small Deductible
15	37WERC3930	8/1/2007		$29	$10.01	$39.01	Not Paid	Small Deductible
16	37WECRE4545	8/12/2008	$1					Small Deductible
17	37WEQRC2190	8/24/2007		$52	$17.93	$69.93	Not Paid	Small Deductible
18	57WEJW4243	4/1/2010		$252	$9.57	$261.57	Not Paid	Small Deductible
19	84WENX6632	7/1/2006		$171	$75.90	$246.90	Paid	Small Deductible
20	37WBKC7474	7/1/2007	$70					Small Deductible
21	37WEZG7744	10/1/2009		$1		$1.00	Not Paid	Small Deductible
22	37WEGL5326	2/1/2009	$338					Small Deductible
23	37WEII5964	5/15/2008	$2,001					Small Deductible
24	84WEPU9491	6/23/2010		$101	$8.67	$109.67	Not Paid	Small Deductible
25	34WEII6715	2/7/2011	$2					Small Deductible
26	34WEIN4180	1/1/2009	$9					Small Deductible
27	37WETA2623	9/1/2010		$14	$1.42	$15.42	Not Paid	Small Deductible

No.	Policy No.	Eff. Date	Prem. U/C	Prem. O/C	Est. Int. as of date of criticism	Total Prem.	Paid/Not Paid	Name of Review
28	37WEVP4793	4/7/2011	$1					Small Deductible
29	83WEKA0376	11/1/2008		$46	$12.41	$58.41	Not Paid	Small Deductible
30	83WESZ9102	10/17/2007		$2		$2.00	Not Paid	Small Deductible
31	83WEZF3524	8/1/2009		$62	$12.55	$74.55	Not Paid	Small Deductible
32	37WERC3930	8/1/2010		$132	$14.88	$146.88	Not Paid	Small Deductible
33	37WEII5964	5/15/2009		$13,053	$2,896.98	$15,949.98	Not Paid	Small Deductible
34	84WEPP7197	4/1/2008		$1,467	$468.12	$1,935.12	Not Paid	Small Deductible
35	84WEQPP0200	4/1/2007		$100	$37.73	$137.73	Paid	Small Deductible
36	22WEDO0504	10/24/2007		$3,891	$1,416.25	$5,307.25	Not Paid	Small Deductible
37	22WEDO0504	10/1/2008		$2,510	$687.67	$3,197.67	Not Paid	Small Deductible
38	22WEDO0505	10/1/2008		$1,865	$510.96	$2,375.96	Not Paid	Small Deductible
39	22WEIS6335	10/1/2008		$959	$262.74	$1,221.74	Paid	Small Deductible
40	22WEIS6337	5/20/2008	$465					Small Deductible
41	83WESX7203	1/1/2006	$3					Small Deductible
42	37WECRC2190	8/24/2009						Small Deductible
43	37WERE9614	1/2/2007	$434					MOCCPAP
44	34WEGIP7193	10/8/2008						MOCCPAP
45	37WEOC1182	3/1/2010						MOCCPAP
46	37WEOC1182	3/1/2011	$6,385					MOCCPAP
47	37WEQT2309	4/1/2011						MOCCPAP
48	37WETD1452	6/15/2010						MOCCPAP
49	84WEQPP0200	4/1/2007						MOCCPAP
50	37WECNF4673	2/26/2006						MOCCPAP
51	84WEII9727	5/26/2008						MOCCPAP
52	84WECJL8632	5/11/2010						MOCCPAP
53	84WEQTD6420	3/28/2006						MOCCPAP
54	84WEQNE2832	12/9/2006						MOCCPAP
55	84WEQNE2832	12/9/2007						MOCCPAP
56	84WEQNE5153	1/1/2007						MOCCPAP
57	84WEQPP0200	4/1/2006						MOCCPAP

No.	Policy No.	Eff. Date	Prem. U/C	Prem. O/C	Est. Int. as of date of criticism	Total Prem.	Paid/Not Paid	Name of Review
58	84WEQBO8533	1/1/2008						MOCCPAP
59	34WEGIP7193	10/8/2008	$107					MOCCPAP

Reference: §287.955.3. RSMo, NCCI Basic Manual (2001 MO) Rule 3-A.2., 11.a. and d., 14.b.(1)(c) & 16.b.(3), MO Exception Rule 3-A. 14.b.1., NCCI Basic Manual (2001 MO)-Miscellaneous Rules: MO Workers Compensation Premium Algorithm, MO Contracting Classification Premium Adjustment Program, and Deductible Insurance.

5. The examiners found that the Company failed to adhere to the uniform classification system and uniform experience rating plan in the following three files. In items one and two an incorrect experience modification factor was used and in item three, an incorrect classification code. In item one, a premium overcharge resulted for this issue including other errors discovered causing an overall premium overcharge. In item two a premium undercharge resulted for this issue and due to other errors discovered an overall premium undercharge resulted. In item three an incorrect class code was used and due to other errors an overall premium overcharge resulted.

No.	Policy No.	Eff. Date	Experience Mod Used	Correct Experience Mod	Class Code Used	Correct Class Code	Name of Review
1	22WENY2292	6/1/2006	.92	.84			Small Deductible
2	33WETA3814	1/1/2007	.90	1.19			Small Deductible
3	84WEPP7197	4/1/2008			8017	8015	Small Deductible

Reference: §287.955.1. RSMo, and NCCI Scopes Manual, NCCI Experience Rating Plan Manual Rule 2.B.2. (2003) MO.

6. The Company failed to apply the Second Injury Fund Surcharge rate to the premium that would have been paid in the absence of the deductible credit. In calculating the surcharge owed, the premiums upon which the surcharge is assessed are those that would have been paid in the absence of the deductible option. This error resulted in the following 42 incorrect charges.

No.	Policy No.	Eff. Date	SIF U/P	SIF O/P	Prem. O/C	Est. Int. as of date of criticism	Total Premium	Paid/Not Paid	Name of Review
1	20WERT9950	4/1/2009	$2						Small Deductible
2	37WEII6451	7/1/2008		$172					
3	37WEIN8155	10/29/2008		$7					Small Deductible
4	37WEII6451	7/1/2010		$165					Small Deductible
5	37WEIP5350	11/1/2009		$209					Small Deductible
6	37WECRC2190	8/24/2008	$2						Small Deductible
7	20WECPI5162	8/1/2007		$1	$2		$2.00	Not Paid	Small Deductible
8	22WEDO0503	10/1/2008	$1						Small Deductible
9	22WENY2292	6/1/2006		$1					Small Deductible
10	33WEAO3202	1/1/2008		$4					Small Deductible
11	33WETA3814	1/1/2007	$94						Small Deductible
12	34WEII6715	2/7/2009	$58						Small Deductible
13	34WEII6715	2/7/2010	$14						Small Deductible
14	37WECRC2190	8/24/2009		$1					Small Deductible
15	37WECRC2190	8/24/2011	$53						Small Deductible
16	34WETA7037	12/31/2006		$1					Small Deductible
17	34WEZG9916	8/15/2010	$24						Small Deductible
18	34WEZM2242	1/1/2010		$8	$11	$1.04	$12.04	Not Paid	Small Deductible
19	37WEKG1142	3/29/2008	$3						Small Deductible
20	37WEPP2321	4/1/2006		$7					Small Deductible
21	37WERC3930	8/1/2007		$20					Small Deductible
22	84WEQPP0200	4/1/2007		$3					MOCCPAP
23	37WEQRC2190	8/24/2007	$2						Small Deductible
24	37WBKC7474	7/1/2007		$16					Small Deductible
25	84WEQNE5153	1/1/2007	$181						MOCCPAP
26	37WEOC1182	3/1/2011	$186						MOCCPAP
27	37WEGL5326	2/1/2009		$9					Small Deductible
28	37WEII5964	5/15/2008	$57						Small Deductible
29	84WEPU9491	6/23/2010	$6						Small Deductible
30	34WEII6715	2/7/2011	$1						Small Deductible
31	34WEIN4180	1/1/2009		$1					Small Deductible

No.	Policy No.	Eff. Date	SIF U/P	SIF O/P	Prem. O/C	Est. Int. as of date of criticism	Total Premium	Paid/Not Paid	Name of Review
32	34WEZP3837	4/1/2010		$1					Small Deductible
33	37WETA2623	9/1/2010		$11					Small Deductible
34	37WEVP4793	4/7/2011	$1						Small Deductible
35	83WEKA0376	11/1/2008		$35					Small Deductible
36	83WESZ9102	10/17/2007		$1					Small Deductible
37	83WEZF3524	8/1/2009		$53					Small Deductible
38	37WERC3930	8/1/2010		$26					Small Deductible
39	37WEH5964	5/15/2009		$355					Small Deductible
40	83WESX7203	1/1/2006	$8						Small Deductible
41	37WERE9614	1/2/2007							Small Deductible
42	84WEPP7197	4/1/2008		$126					Small Deductible

Reference: §§287.715, and 287.310.9, RSMo

7. The examiners found that the Company failed to file with the Director all rates and supplementary rate information which is used in Missouri no later than 30 days after the effective date. The Company failed to file a Negotiated Rating Option (NRO) credit rate for the following two files.

No.	Policy No.	Eff. Date	NRO Rate	Name of Review
1	37WEOC1182	3/1/2010	31.41%	Large Deductible
2	37WEOC1182	3/1/2011	27.33%	Large Deductible

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(3)(B)3.,(5)(B) & (7) and Company Rate Filings.

8. The examiners found that the Company failed to file with the Director all rates and supplementary rate information which is used in Missouri no later than 30 days after the effective date. The Company used a deductible credit factor that was incorrect and not filed in the following 25 small deductible files.

No.	Policy No.	Eff. Date	Incorrect Rate Used	Correct Rate	U/C	O/C	Est. Int. as of date of Criticism	Total	Paid/Not Paid
1	20WERT9950	4/1/2009	0.111	0.079	$ 58.00				Not Paid
2	37WEII6451	7/1/2008	0.070	0.065	$1,741				Not Paid
3	37WEIN8155	10/29/2008	0.053	0.056		$ 52.00	$ 12.18	$ 64.18	Not Paid
4	37WECBG9235	8/12/2011	0.029	0.019	$ 3.00				Not Paid
5	37WECRC2190	8/24/2008	0.083	0.099		$ 53.00	$ 13.97	$ 66.97	Not Paid
6	33WEAO3202	1/1/2008	11.600	12.900		$ 129.00	$ 37.09	$ 169.09	Not Paid
7	33WETA3814	1/1/2007		12.200	$2,853.00				Not Paid
8	34WEII6715	2/7/2009	3.900	2.800	$ 68.00				Not Paid
9	37WECRC2190	8/24/2009	0.083	0.070	$ 47.00				Not Paid
10	37WECRC2190	8/24/2011	0.083	0.072	$ 74.00				Not Paid
11	34WETA7037	12/31/2006	11.700	7.400		$ 2.00		$ 2.00	Not Paid
12	37WECRE4545	8/12/2008	2.900	2.700	$ 1.00				Not Paid
13	37WEQRC2190	8/24/2007	8.300	10.000		$ 52.00	$ 17.93	$ 69.93	Not Paid
14	57WEJW4243	4/1/2010	7.900	14.900		$ 252.00	$ 9.57	$ 261.50	Not Paid
15	37WBKC7474	7/1/2007	0.068	0.066	$ 70.00				Not Paid
16	37WEGL5326	2/1/2009	0.068	0.039	$ 359.00				Not Paid
17	37WEII5964	5/15/2008	0.039	0.033	$1,213.00				Not Paid
18	84WEPU9491	6/23/2010	0.020	0.023		$ 101.00	$ 8.67	$ 109.67	Not Paid
19	34WEIN4180	1/1/2009	0.083	0.059	$ 9.00				Not Paid
20	83WECLV5231	12/31/2010	0.030	0.029				No Change	Not Paid
21	37WERC3930	8/1/2010	0.117	0.122		$ 142.00	$ 14.88	$ 146.88	Not Paid
22	83WESX7203	1/1/2006	0.071	0.070	$ 3.00				Not Paid
23	37WERE9614	1/2/2007	0.082	0.040	$ 434.00				Not Paid
24	84WEPP7197	4/1/2008	0.074	0.084		$1,467.00	$ 468.12	$ 1,935.12	Not Paid

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(3)(B)3.,(5)(B) & (7) and Company Rate Filings.

9. The examiners found that the Company failed to file with the Director all rates and supplementary rate information which is used in Missouri no later than 30 days after the effective date. The Company filed its large deductible plan; however, the following two policy files were rated on individual risk characteristics and those factors were not included in the large deductible plan.

No.	Policy No.	Eff. Date	Name of Review
1	39WNMF5370	3/1/2009	Large Deductible
2	57WNMS9890	5/30/2006	Large Deductible

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(3)(B)3.,(5)(B) & (7) and Company Rate Filings.

10. The Company failed to apply the correct Administrative Surcharge rate to the premium amount. This resulted in the following five errors creating five administrative surcharge overpayments and two premium overcharges.

No.	Policy No.	Eff. Date	Admin/ OP	Prem/ OC	Total	Paid/ Not Paid	Name of Review
1	34WETA7037	12/31/2006	$1				Small Deductible
2	37WEPM2029	10/26/2006	$13	$13	$13	Not Paid	Small Deductible
3	37WECRE4545	8/12/2006	$1	$1	$1	Not Paid	Small Deductible
4	84WENX6632	7/1/2006	$208				Small Deductible
5	83WESX7203	1/1/2006	$4				Small Deductible

Reference: §287.716.1. RSMo

11. The Company failed to apply the correct schedule rating modification credit or debit to the policy premium. This resulted in two policy premium undercharges and two policy premium overcharges.

No.	Policy No.	Eff. Date	Prem U/C	Prem O/C	Est. Int. as of date of criticism	Total	Paid /Not Paid	Name of Review
1	37WECRC2190	8/24/2011	$1,910					Small Deductible
2	84WEQNE5153	1/1/2007	$6,228					MOCCPAP
3	37WEII6451	7/1/2010		$808	$60.77	$868.77	Not Paid	Small Deductible
4	37WEIP5350	11/1/2009		$9,366	$1,321.12	$10,687.12	Not Paid	Small Deductible

Reference: §287.950.1. RSMo

12. The Company unfairly discriminated against policyholders by issuing a participating dividend program policy for one policyholder but not issuing participating policies to other policyholders that were in the same company. The Company is not allowed to issue both participating and non-participating dividend plans within the same company. Regarding policy number 37WBKC7474 (item no. 12 below), the Company explained it offered a participating dividend plan in error. The other policyholders within the company were not offered the dividend plan. This resulted in the following policy file error.

No.	Policy No.	Eff. Date	Name of Review
1	37WBKC7474	7/1/2007	Small Deductible

Reference: §287.932.1. RSMo and 20 CSR 500-6.100(8).

13. The Company failed to keep the dividend payment separate from the rating plan. The examiners believe the Company considered the dividend in rating the following policy creating unfair discrimination among policyholders. The dividend factor was included in the rating of the policy issued with a dividend plan. The policy premium was given a 4% dividend credit resulting in a $560 premium undercharge. Other policyholders in the same Company did not receive a dividend credit.

No.	Policy No.	Eff. Date	Name of Review
1	37WBKC7474	7/1/2007	Small Deductible

Reference: §287.932.1. RSMo

14. The Company failed to apply the Administrative Surcharge rate to the premium that would have been paid for the deductible credit portion of the policy. In calculating the surcharge owed, the premiums upon which the surcharge is assessed are those that would have been paid for the deductible credit portion of the policy. This resulted in the following 32 errors. Item 16 which resulted in a $64.18 premium overcharge with interest was not paid.

No.	Policy No.	Eff. Date	Admin/ OP	Admin/ UP	Prem/ Under-Chrg	Prem/ Over-Chrg	Est. Int. as of date of criticism	Total Premium	Name of Review
1	37WEII6451	7/1/2008	$77						Small Deductible
2	37WEIN8155	10/29/2008	$2			$52	$12.18	$64.18	Small Deductible
3	37WEII6451	7/1/2010	$49						Small Deductible
4	37WEIP5350	11/1/2009		$11					Small Deductible
5	37WECRC2190	8/24/2008		$1					Small Deductible
6	20WECPI5162	8/1/2007	$1						Small Deductible
7	22WENY2292	6/1/2006	$1						Small Deductible
8	33WEAO3202	1/1/2008	$1						Small Deductible
9	33WETA3814	1/1/2007		$4					Small Deductible
10	34WEII6715	2/7/2009		$10					Small Deductible
11	34WEII6715	2/7/2010		$5					Small Deductible
12	37WECRC2190	8/24/2009	$1						Small Deductible
13	37WECRC2190	8/24/2011	$2						Small Deductible
14	34WEZG9916	8/15/2010		$8					Small Deductible
15	34WEZM2242	1/1/2010	$3						Small Deductible
16	37WEKG1142	3/29/2008		$1					Small Deductible
17	37WEPP2321	4/1/2006	$11						Small Deductible
18	37WERC3930	8/1/2007	$7						Small Deductible
19	37WEQRC2190	8/24/2007		$1					Small Deductible
20	37WBKC7474	7/1/2007	$6						Small Deductible
21	37WEZG7744	10/1/2009	$1						Small Deductible
22	37WEGL5326	2/1/2009	$3						Small Deductible
23	84WEPU9491	6/23/2010		$3					Small Deductible
24	34WEII6715	2/7/2011		$1	$19				Small Deductible
25	34WEZP3837	4/1/2010	$1						Small Deductible
26	37WETA2623	9/1/2010	$3						Small Deductible

No.	Policy No.	Eff. Date	Admin/ OP	Admin/ UP	Prem/ Under-Chrg	Prem/ Over-Chrg	Est. Int. as of date of criticism	Total Premium	Name of Review
27	83WEKA0376	11/1/2008	$11						Small Deductible
28	83WESZ9102	10/17/2007	$1						Small Deductible
29	83WEZF3524	8/1/2009	$9						Small Deductible
30	37WERC3930	8/1/2010	$7						Small Deductible
31	37WEII5964	5/15/2009		$4					Small Deductible
32	84WEPP7197	4/1/2008	$29						Small Deductible

Reference: §§287.716.2., and 287.310.9. RSMo.

The examiners requested the total population of Missouri Hartford Underwriters Insurance Company Workers Compensation Large Deductible policies during the examination period.

Field Size:	2
Sample Size:	2
Type of Sample:	Census
Number of Errors:	2
Error Ratio:	100.0%
Within DIFP Guidelines:	No

15. The following two Large Deductible policy files were found to be in violation of Missouri's Unfair Trade Practices Act. The examiners found that the Company failed to include its phone number within the policy or contract or in written form annexed to the policy.

No.	Policy No.	Eff. Date	Name of Review
1	39WNMF5370	3/1/2009	Large Deductible
2	57WNMS9890	5/30/2006	Large Deductible

Reference: §375.924.1. RSMo

16. The Company failed to send a notice to the insured with instructions explaining that any inquiry concerning an increase in the scheduled modification factor that would have the effect of increasing the premium may be directed to the insurer or producer. The following two policies had an increased debit scheduled

modification factor that would have the effect of increasing the premium, but no notice was sent to the insured.

No.	Policy No.	Eff. Date	Name of Review
1	37WEII5964	5/15/2009	Small Deductible
2	83WESX7203	1/1/2006	Small Deductible

Reference: §379.893 RSMo and 20 CSR 500-4.100(7)(D)2.

17. The Company failed to include the payroll of all officers who were active in the work of the business in the following policy. The Vice President was by definition an employee and was paid for bookkeeping for the employer. Therefore, the payroll should not have been excluded.

No.	Policy No.	Eff. Date	Name of Review
1	83WESX7203	1/1/2006	Small Deductible

Reference: §287.020.1. RSMo

II. COMPLAINT HANDLING PRACTICES

This section of the report is designed to provide a review of the Company's complaint handling practices. Examiners reviewed how the Company handled complaints to ensure it was performing according to its own guidelines and Missouri statutes and regulations.

Section 375.936.(3), RSMo, requires companies to maintain a registry of all written complaints received for the last three years. The registry must include all Missouri complaints, including those sent to the DIFP and those sent directly to the company.

The examiners verified the Company's complaint registry, dated January 1, 2006, through the present.

A. Complaints Sent Directly to the DIFP

The review consisted of a review of the nature of each complaint, the disposition of the complaint, and the time taken to process the complaint as required by §375.936.(3), RSMo, and 20 CSR 300-2.100(3)(D) (as replaced by 20 CSR 100-8.040(3)(D), eff. 1/30/09). The examiners reviewed four complaint files that the DIFP had received.

The examiners discovered no issues or concerns.

B. Complaints Sent Directly to the Company

This review consisted of a review of the nature of each complaint, the disposition of the complaint, and the time taken to process the complaint. The Company explained that it did not receive any complaints from its insureds, claimants, or others. The examiners found no evidence to the contrary.

The examiners discovered no issues or concerns.

III. CRITICISMS AND FORMAL REQUESTS TIME STUDY

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri law requires companies to respond to criticisms and formal requests within 10 calendar days. Please note that in the event an extension was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the time frame granted by the examiners. If the response was not received within that time period, the response was not considered timely.

A. Criticism Time Study

Calendar Days	Number of Criticisms	Percentage
Received within the time limit including any extensions:	78	100.0%
Received outside time limit including any extensions:	0	0.0%
No response:	0	0.0%
Total:	78	100.0%

The examiners discovered no issues or concerns.

B. Formal Request Time Study

Calendar Days	Number of Formal Requests	Percentage
Received within the time limit including any extensions:	6	100.0%
Received outside time limit including any extensions:	0	0.0%
No response:	0	0.0%
Total:	6	100.0%

The examiners discovered no issues or concerns.

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Hartford Underwriters Insurance Company (NAIC #30104), Examination Number 1104-35-TGT. This examination was conducted by Scott Pendleton, Dale Hobart, Dennis Foley and Teresa Koerkenmeier. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated April 22, 2013. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.

4/27/16

Jim Mealer — Date
Chief Market Conduct Examiner