

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

In Re:)
)
HARTFORD FIRE INSURANCE) **Market Conduct Exam No. 1104-33-TGT**
COMPANY (NAIC # 19682))

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 Fire Insurance Company (NAIC #19682) (hereafter referred to as “Hartford Fire”), report number 1104-33-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 Fire 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 Fire shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Hartford Fire 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 Fire 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.



A handwritten signature in blue ink, appearing to read "John M. Huff", written over a horizontal line.

John M. Huff
Director

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COMPANY (NAIC #19682))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Hartford Fire Insurance Company (NAIC #19682) (hereinafter “Hartford Fire”), 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 Fire 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 Fire; and

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

1. In several instances, Hartford Fire used forms after they were withdrawn from use in Missouri in violation of §287.310¹ and 20 CSR 500-6.100.
2. In two instances, Hartford Fire did not use the correct Administrative Surcharge rate in violation of §287.716.1.
3. In several instances, Hartford Fire did not attach a mandatory form to the policy in violation of §287.955.3.
4. In several instances, Hartford Fire did not send notices to policyholders concerning the MOCCPAP adjustment credit in violation of §287.955.3.
5. In several instances, Hartford Fire did not verify payroll at audit for the MOCCPAP credit in violation of §287.955.3.

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

6. In two instances, Hartford Fire did not use the correct schedule rating factor in violation of §287.955.3.

7. In two instances, Hartford Fire did not properly credit the premium deductible amount in violation of §287.955.3.

8. In several instances, Hartford Fire incorrectly used the MOCCPAP credit in violation of §287.955.3.

9. In one instance, Hartford Fire did not apply the short rate surcharge to premium in violation of §287.955.3.

10. In several instances, Hartford Fire did not use the correct experience modification factor in violation of §287.955.3.

11. In one instance, Hartford Fire did not use the correct classification code in violation of §287.955.1.

12. In several instances, Hartford Fire did not use the correct deductible credit rate in violation of §287.955.1, §287.947.1 and 20 CSR 500-6.950.

13. In several instances, Hartford Fire 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.

14. In several instances, Hartford Fire did not file individual rating plans for large deductible policies in violation of §287.947.1 and 20 CSR 500-6.950.

15. In several instances, Hartford Fire did not file individual terrorism rates in violation of §287.947.1 and 20 CSR 500-6.950.

16. In two instances, Hartford Fire did not use the filed premium rate in violation of §287.947.1 and 20 CSR 500-6.950.

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

18. In several instances, Hartford Fire did not include the phone number of the insured on large deductible policies in violation of §375.924.1.

19. Hartford Fire attached a waiver of subrogation endorsement to a policy with construction codes in violation of §287.150.6.

20. In several instances, Hartford Fire failed to complete audits 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).

21. In one instance, Hartford Fire did not document a file with the basis for the scheduled rating modification credit in violation of §374.205, §287.350, 20 CSR 500-4.100(7)(D)1 and 20 CSR 300-2.200.

22. In one instance, Hartford Fire did not provide an adequate response to a consumer complaint within 20 calendar days in violation of 20 CSR 100-4.100(2)(A).

WHEREAS, the Division and Hartford Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire 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 Fire, other than those agreed to in this Stipulation, for the conduct found in Market Conduct Exam Report 1104-33-TGT.

F. Non-Admission. Nothing in this Stipulation shall be construed as an admission by Hartford Fire 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 Fire, 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

Angela L. Nelson
Director, Division of Insurance
Market Regulation

DATED: 4/21/2016

Stewart Freilich

Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 4/8/16

Karmela Malone

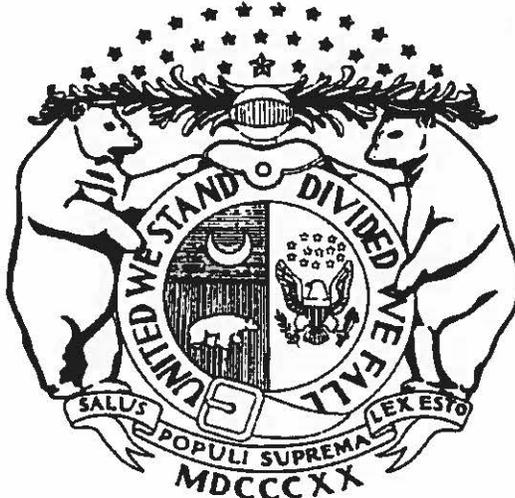
Karmela Malone
Vice President P&C Compliance
Hartford Fire Insurance Company

DATED: 4/15/16

Richard S. Brownlee III

Richard S. Brownlee, III
Counsel for Hartford Fire 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 Fire Insurance Company
NAIC Group #0091
NAIC #19682

MISSOURI EXAMINATION # 1104-33-TGT

NAIC EXAM TRACKING SYSTEM # MO341-M78

April 27, 2016

Hartford Fire Insurance Company
One Hartford Plaza
Hartford, Connecticut 06115

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FOREWORD

This is a targeted market conduct examination report of Hartford Fire Insurance Company (NAIC Code #19682). 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 Fire 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;
- "HFIC" refers to Hartford Fire 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;
- "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 Fire 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 Fire Insurance Company is a property and casualty insurance writing company and a corporation organized under the laws of the State of Connecticut.

In April, 1810, Hartford Fire Insurance Company was created by an Act of the Connecticut General Assembly, with such action to be effective as of May 10, 1810. The capital stock of the Company was \$150,000 and was held by 83 stockholders. Of the currently issued and outstanding shares of common stock, 100% are owned by 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 the Hartford Fire Insurance Company (HFIC). The examiners found the following principal areas of concern:

- The examiners discovered 31 policies which included one or more forms that were used by the Company but had been withdrawn from use in Missouri.
- The examiners discovered 136 instances where the Company used an incorrect administrative surcharge rate for year 2006.
- The examiners found 84 instances where 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 policy.
- The examiners found three instances where the Company failed to follow the basic rules set forth by the NCCI in writing and reporting its business. The Company failed to send notice on an approved form concerning the MOCCPAP adjustment credit.
- The examiners found five instances where the Company failed to verify payroll at audit for the MOCCPAP adjustment credit.
- The examiners found two instances where the Company used an incorrect schedule rating factor.
- The examiners found two instances where the Company debited the policy for the deductible credit instead of applying a credit.
- The examiners found six instances where the Company applied a MOCCPAP credit to policies that were ineligible.
- The examiners found one instance where the Company failed to apply a short-rate surcharge.
- The examiners found eight instances where the Company failed to apply the correct experience modification factor.
- The examiners found one instance where the Company failed to use the correct classification code.
- The examiners found 12 instances where the Company failed to apply the correct deductible credit rate.
- The examiners found 14 instances where the Company failed to apply the correct SIF surcharge rate to the premium that would have been charged in absence of the deductible option.
- The examiners found 84 instances where the Company failed to file individual risk characteristics for large deductible policies.
- The examiners found 66 instances where the Company used an incorrect terrorism rate.
- The examiners found two instances where the Company failed to use the correct premium discount rate.
- The examiners found in 28 instances where the Company failed to apply the correct administrative surcharge rate.

- The examiners found 11 instances where the Company failed to apply the correct administrative surcharge rate to the premium that would have been paid in the absence of the deductible credit.
- The examiners found a Missouri Unfair Trade Practices Act issue in 84 instances where the Company failed to provide the Company's telephone number to the insured within the policy or contract or in written form annexed to the policy for the insured's reference. This resulted in a 100% error ratio.
- The examiners found one instance where the Company attached a waiver of subrogation endorsement form to a policy that contained construction classification codes.
- The examiners found nine instances where the Company failed to complete the final audit within 120 days.
- The examiners found one instance where the Company failed to document the file showing how the schedule rate modification that was applied was determined.
- The examiners found one instance where the Company failed to respond in a timely manner to a complaint file inquiry within 20 calendar days. A four day extension was granted by the DIFP, but the response was still late.

The examiners requested that the Company issue refunds to insureds 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 Fire 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.

The examiners conducted four separate reviews of underwriting issues. They reviewed large deductible and small deductible policy files. They also conducted reviews of files required to have the MOCCPAP letter explaining about the credit that is allowed for those policies having a construction class code as well as to ensure that the credit was applied to the policy in accordance with the NCCI basic manual. Finally, a review of Complaints with Underwriting issues was conducted.

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.

<u>Name of Review</u>	<u>Type of Sample</u>	<u>Population Size</u>	<u># of Files</u>
Large Deductible	Random	348	84
Small Deductible	Census	20	20
Complaints	Census	1	1
MOCCPAP	Census	9	9

Total Number of files reviewed: 114

The examiners reviewed a random sample of 84 Large Deductible policy files that was extracted from a population of 348 files. A census sample of 20 Small Deductible policy files was reviewed. One Complaint file was reviewed. A census total of nine MOCCPAP files were targeted for review bringing the total number of files to 114 in conducting the examiners 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 31 policies which included one or more forms that were used after being withdrawn from use in Missouri.

No.	Policy No.	Eff. Date	Name of Review
1	10WNC76700	3/1/2007	Large Deductible
2	10WNMS9800	3/28/2006	Large Deductible
3	13WNUMG3170	11/27/2007	Large Deductible
4	16WNC74200	8/1/2006	Large Deductible
5	20WNJ71100	8/1/2007	Large Deductible

No.	Policy No.	Eff. Date	Name of Review
6	20WNJ76700	6/1/2007	Large Deductible
7	20WNMF4810	2/23/2006	Large Deductible
8	20WNMF5434	7/1/2007	Large Deductible
9	20WNMS8450	11/1/2006	Large Deductible
10	22WNC79300	4/1/2008	Large Deductible
11	30WNMS8980	4/1/2007	Large Deductible
12	30WNMS9932	7/1/2006	Large Deductible
13	38WNMD5080	9/1/2008	Large Deductible
14	39WNC73201	5/1/2006	Large Deductible
15	40WNMG2691	4/29/2006	Large Deductible
16	42WNJ75101	7/1/2006	Large Deductible
17	42WNMF4640	9/30/2007	Large Deductible
18	61WNMS5820	8/1/2008	Large Deductible
19	72WNC94700	6/30/2007	Large Deductible
20	72WNC94702	6/30/2008	Large Deductible
21	72WNMG2641	4/1/2007	Large Deductible
22	72WNMG3270	1/1/2007	Large Deductible
23	84WBBO6898	1/1/2010	Small Deductible
24	84WBCRF3992	10/31/2006	Small Deductible
25	84WBCRF3992	10/31/2007	Small Deductible
26	84WBCRF3992	10/31/2008	Small Deductible
27	84WBCRF3992	10/31/2009	Small Deductible

No.	Policy No.	Eff. Date	Name of Review
28	84WBCRF3992	10/31/2010	Small Deductible
29	84WBCZF6041	7/10/2009	MOCCPAP
30	84WBCZL4806	9/30/2009	MOCCPAP
31	84WBGPU6746	6/4/2009	MOCCPAP

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

B. Workers Compensation Underwriting and Rating Practices

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 Fire Insurance Company as described in the following two paragraphs.

The Company failed to use the correct Administrative Surcharge rate for year 2006 small deductible policies. A census of three policy files was identified and found in error. A 1% surcharge was used when 0% was correct. This resulted in three overcharges. One of the three files was previously found by the examiners and \$176 plus \$75.35 in interest for a total of \$251.35 reimbursement requested to the insured. The other two files that the company was asked by the examiners to review, were found to have Administrative surcharge overcharge amounts of \$3 and \$5.

The other issue involved the following census of 136 policy files where the Company failed to charge the correct Administrative Surcharge rate for year 2006 large deductible policies. The files either used 1% or 5% when 0% was correct. The Company was asked to perform self-audits and reported back the following 136 errors.

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
1	042WNMG2540	01/01/2006	1.00%	Large Deductible
2	039WNMF5960	01/01/2006	1.00%	Large Deductible
3	022WNMS8580	01/01/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
4	020WNC90910	01/01/2006	1.00%	Large Deductible
5	034WNJ80000	01/01/2006	1.00%	Large Deductible
6	008WNMF5970	01/01/2006	1.00%	Large Deductible
7	020WND67403	01/01/2006	1.00%	Large Deductible
8	020WNMS3111	01/01/2006	1.00%	Large Deductible
9	008WNMF5930	01/01/2006	1.00%	Large Deductible
10	020WNMS9700	01/01/2006	1.00%	Large Deductible
11	052WNC92901	01/01/2006	1.00%	Large Deductible
12	039WNMS9690	01/01/2006	1.00%	Large Deductible
13	035WNMS5410	01/01/2006	1.00%	Large Deductible
14	036WNMS9360	01/03/2006	1.00%	Large Deductible
15	072WNMG2590	01/19/2006	1.00%	Large Deductible
16	020WND73100	01/20/2006	1.00%	Large Deductible
17	010WNMF5621	01/23/2006	1.00%	Large Deductible
18	021WNMS8100	01/31/2006	1.00%	Large Deductible
19	081WND73500	02/01/2006	1.00%	Large Deductible
20	020WND68900	02/01/2006	1.00%	Large Deductible
21	012WNJ80400	02/01/2006	1.00%	Large Deductible
22	020WNC90916	02/01/2006	1.00%	Large Deductible
23	020WNMS9770	02/05/2006	1.00%	Large Deductible
24	020WND72300	03/01/2006	1.00%	Large Deductible
25	083WND75200	03/01/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
26	039WNMF5370	03/01/2006	1.00%	Large Deductible
27	010WNC71600	03/15/2006	1.00%	Large Deductible
28	057WNMS5810	03/23/2006	1.00%	Large Deductible
29	010WNMS9800	03/28/2006	1.00%	Large Deductible
30	010WNMF5791	03/31/2006	1.00%	Large Deductible
31	021WNMS9810	04/01/2006	1.00%	Large Deductible
32	021WNMS8200	04/01/2006	1.00%	Large Deductible
33	083WND75300	04/01/2006	1.00%	Large Deductible
34	030WND73800	04/01/2006	1.00%	Large Deductible
35	030WNMS8980	04/01/2006	1.00%	Large Deductible
36	039WNC73900	04/01/2006	1.00%	Large Deductible
37	039WNC73800	04/01/2006	1.00%	Large Deductible
38	022WNJ44750	04/01/2006	1.00%	Large Deductible
39	035WNMS2367	04/01/2006	1.00%	Large Deductible
40	042WNMS8620	04/01/2006	1.00%	Large Deductible
41	020WND71400	04/01/2006	1.00%	Large Deductible
42	031WNJ51600	04/01/2006	1.00%	Large Deductible
43	045WNQU0140	04/01/2006	1.00%	Large Deductible
44	057WNC90300	04/02/2006	1.00%	Large Deductible
45	057WNC90400	04/02/2006	1.00%	Large Deductible
46	061WNMG3050	04/15/2006	1.00%	Large Deductible
47	031WNC74700	04/15/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surchage	Name of Review
48	020WND75500	04/19/2006	1.00%	Large Deductible
49	034WND75400	04/19/2006	1.00%	Large Deductible
50	040WNMG2691	04/29/2006	1.00%	Large Deductible
51	083WNMS9010	04/30/2006	1.00%	Large Deductible
52	039WNC73201	05/01/2006	1.00%	Large Deductible
53	037WNMS5650	05/01/2006	1.00%	Large Deductible
54	010WNMF5810	05/01/2006	1.00%	Large Deductible
55	051WNMG3060	06/01/2006	1.00%	Large Deductible
56	045WNH17879	06/01/2006	1.00%	Large Deductible
57	044WNC73307	06/01/2006	1.00%	Large Deductible
58	014WNMS8930	06/01/2006	1.00%	Large Deductible
59	083WNMS5780	06/01/2006	1.00%	Large Deductible
60	020WNMS9020	06/01/2006	1.00%	Large Deductible
61	022WNMS9470	06/01/2006	1.00%	Large Deductible
62	020WND70500	06/01/2006	1.00%	Large Deductible
63	030WNMS9031	06/01/2006	1.00%	Large Deductible
64	057WNMS9920	06/06/2006	1.00%	Large Deductible
65	030WNMS9500	06/14/2006	1.00%	Large Deductible
66	039WNMF5701	06/21/2006	1.00%	Large Deductible
67	042WNMS9060	06/28/2006	1.00%	Large Deductible
68	072WNC94700	06/30/2006	1.00%	Large Deductible
69	042WNMS9510	06/30/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
70	010WNMF5240	07/01/2006	1.00%	Large Deductible
71	083WND55159	07/01/2006	1.00%	Large Deductible
72	030WNMS9932	07/01/2006	1.00%	Large Deductible
73	035WNMG2800	07/01/2006	1.00%	Large Deductible
74	072WNC94900	07/01/2006	1.00%	Large Deductible
75	042WNJ75101	07/01/2006	1.00%	Large Deductible
76	014WNQU0091	07/01/2006	1.00%	Large Deductible
77	035WNMS4753	07/01/2006	1.00%	Large Deductible
78	020WNMS9530	07/01/2006	1.00%	Large Deductible
79	012WNC71901	07/01/2006	1.00%	Large Deductible
80	061WNJ53300	07/01/2006	1.00%	Large Deductible
81	020WNMF5434	07/01/2006	1.00%	Large Deductible
82	042WND72700	07/01/2006	1.00%	Large Deductible
83	020WND72600	07/25/2006	1.00%	Large Deductible
84	061WNMG3130	07/30/2006	1.00%	Large Deductible
85	041WNMS9540	07/30/2006	1.00%	Large Deductible
86	034WNMS9970	07/31/2006	1.00%	Large Deductible
87	022WNMS1747	07/31/2006	1.00%	Large Deductible
88	020WND71300	07/31/2006	1.00%	Large Deductible
89	010WNC73101	08/01/2006	1.00%	Large Deductible
90	043WND69900	08/01/2006	1.00%	Large Deductible
91	083WNMS5544	08/01/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
92	020WNJ71100	08/01/2006	1.00%	Large Deductible
93	061WNMS5820	08/01/2006	1.00%	Large Deductible
94	016WNC74200	08/01/2006	1.00%	Large Deductible
95	044WNMF5870	08/31/2006	1.00%	Large Deductible
96	038WNMD5080	09/01/2006	1.00%	Large Deductible
97	059WNC91000	09/01/2006	1.00%	Large Deductible
98	020WNMS9180	09/01/2006	1.00%	Large Deductible
99	035WNMS4910	09/01/2006	1.00%	Large Deductible
100	022WNMS3550	09/01/2006	1.00%	Large Deductible
101	031WNC72201	09/27/2006	1.00%	Large Deductible
102	042WNMF4640	09/30/2006	1.00%	Large Deductible
103	039WNMF5520	09/30/2006	1.00%	Large Deductible
104	020WND74600	09/30/2006	1.00%	Large Deductible
105	083WND60918	10/01/2006	1.00%	Large Deductible
106	031WNC74800	10/01/2006	1.00%	Large Deductible
107	020WNMS9260	10/01/2006	1.00%	Large Deductible
108	020WND74700	10/01/2006	1.00%	Large Deductible
109	091WNMS5370	10/01/2006	1.00%	Large Deductible
110	083WNMG2890	10/01/2006	1.00%	Large Deductible
111	020WNJ45215	10/01/2006	1.00%	Large Deductible
112	084WNMS9280	10/21/2006	1.00%	Large Deductible
113	046WNC75200	10/26/2006	1.00%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
114	020WND71900	11/01/2006	1.00%	Large Deductible
115	020WNMS8450	11/01/2006	1.00%	Large Deductible
116	021WNMS9290	11/01/2006	1.00%	Large Deductible
117	020WNMF5731	11/01/2006	1.00%	Large Deductible
118	020WNC90918	11/09/2006	1.00%	Large Deductible
119	020WNC75400	11/09/2006	1.00%	Large Deductible
120	020WNC75300	11/09/2006	1.00%	Large Deductible
121	020WNMG3240	11/13/2006	1.00%	Large Deductible
122	013WNMG3170	11/27/2006	1.00%	Large Deductible
123	010WNC74400	11/30/2006	1.00%	Large Deductible
124	010WNC75900	12/01/2006	1.00%	Large Deductible
125	002WNJ79842	12/01/2006	1.00%	Large Deductible
126	084WND59503	12/01/2006	1.00%	Large Deductible
127	042WNQU0511	12/15/2006	1.00%	Large Deductible
128	044WNC43800	12/31/2006	1.00%	Large Deductible
129	020WNMS3763	12/31/2006	1.00%	Large Deductible
130	035WNMS9340	12/31/2006	1.00%	Large Deductible
131	030WND73201	12/31/2006	1.00%	Large Deductible
132	020WNQU0523	12/31/2006	1.00%	Large Deductible
133	010WNMF5850	02/28/2006	0.50%	Large Deductible
134	010WNC47906	06/30/2006	0.50%	Large Deductible
135	002WNJ77000	07/01/2006	0.50%	Large Deductible

No.	Policy No.	Eff. Date	Admin Surcharge	Name of Review
136	083WNMS9680	12/31/2006	0.50%	Large Deductible

Reference: §287.716.1. RSMo

1. Underwriting and Rating practices:

The examiners requested a sample from the total population of Missouri Hartford Fire 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 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 (form WC240602B) to the following 84 large deductible policies.

No.	Policy No.	Eff. Date	Name of Review
1	01WNMF5770	3/5/2008	Large Deductible
2	02WNJ77000	7/1/2007	Large Deductible
3	04WNMF5780	4/1/2007	Large Deductible
4	08WNMF5930	1/1/2006	Large Deductible
5	10WNC47906	6/30/2006	Large Deductible
6	10WNC71600	3/15/2007	Large Deductible
7	10WNC71701	6/1/2007	Large Deductible
8	10WNC75900	12/1/2006	Large Deductible
9	10WNC76600	2/6/2007	Large Deductible
10	10WNC76600	10/1/2007	Large Deductible
11	20WNC75400	11/9/2006	Large Deductible

No.	Policy No.	Eff. Date	Name of Review
12	20WNC77100	6/1/2007	Large Deductible
13	20WNC90918	11/9/2006	Large Deductible
14	20WND67403	1/1/2008	Large Deductible
15	20WND71300	7/31/2006	Large Deductible
16	20WND71400	4/1/2007	Large Deductible
17	20WND71400	4/1/2008	Large Deductible
18	20WND72600	7/25/2007	Large Deductible
19	20WND74700	10/1/2007	Large Deductible
20	20WNJ45215	10/1/2007	Large Deductible
21	20WNMS8860	1/1/2010	Large Deductible
22	20WNMS9020	6/1/2007	Large Deductible
23	20WNMS9260	10/1/2006	Large Deductible
24	20WNMS9700	1/1/2008	Large Deductible
25	20WNR20200	7/1/2008	Large Deductible
26	21WNMG3333	3/1/2008	Large Deductible
27	21WNMS8100	1/31/2007	Large Deductible
28	21WNMS8200	4/1/2006	Large Deductible
29	21WNMS8200	4/1/2008	Large Deductible
30	21WNMS9810	4/1/2008	Large Deductible
31	30WNMS9932	7/1/2007	Large Deductible
32	31WNC72201	9/27/2006	Large Deductible
33	31WNC72201	9/27/2007	Large Deductible

No.	Policy No.	Eff. Date	Name of Review
34	31WNC74704	4/15/2008	Large Deductible
35	34WND75400	4/19/2006	Large Deductible
36	35WNMG3660	2/29/2008	Large Deductible
37	35WNMS5410	1/1/2007	Large Deductible
38	35WNMS9340	12/31/2006	Large Deductible
39	37WNC79000	4/1/2008	Large Deductible
40	37WNMS3453	7/1/2008	Large Deductible
41	42WNMG2540	1/1/2008	Large Deductible
42	42WNMS8620	4/1/2006	Large Deductible
43	42WNMS9060	6/28/2006	Large Deductible
44	42WNMS9060	6/28/2007	Large Deductible
45	43WND69900	8/1/2007	Large Deductible
46	46WNR27800	5/30/2009	Large Deductible
47	52WNC92901	1/1/2006	Large Deductible
48	57WNMS5810	3/23/2007	Large Deductible
49	57WNMS9920	6/6/2006	Large Deductible
50	61WNJ53300	7/1/2007	Large Deductible
51	72WNMG3400	5/1/2007	Large Deductible
52	72WNMG3490	9/1/2007	Large Deductible
53	81WND73500	2/1/2007	Large Deductible
54	83WND55159	7/1/2006	Large Deductible
55	83WND75200	3/1/2007	Large Deductible

No.	Policy No.	Eff. Date	Name of Review
56	83WND75300	4/1/2006	Large Deductible
57	84WND59503	12/1/2007	Large Deductible
58	91WNMS5370	10/1/2006	Large Deductible
59	10WNC76700	3/1/2007	Large Deductible
60	10WNMS9800	3/28/2006	Large Deductible
61	13WNMG3170	11/27/2007	Large Deductible
62	14WNMG3560	1/1/2008	Large Deductible
63	16WNC74200	8/1/2006	Large Deductible
64	20WNJ71100	8/1/2007	Large Deductible
65	20WNJ76700	6/1/2007	Large Deductible
66	20WNMF4810	2/23/2006	Large Deductible
67	20WNMF5434	7/1/2007	Large Deductible
68	20WNMS8450	11/1/2006	Large Deductible
69	22WNC79300	4/1/2008	Large Deductible
70	22WNJ44750	4/1/2006	Large Deductible
71	30WNMS8980	4/1/2007	Large Deductible
72	30WNMS9031	6/1/2006	Large Deductible
73	30WNMS9932	7/1/2006	Large Deductible
74	38WNMD5080	9/1/2008	Large Deductible
75	39WNC73201	5/1/2006	Large Deductible
76	40WNMG2691	4/29/2006	Large Deductible
77	42WNJ75101	7/1/2006	Large Deductible

No.	Policy No.	Eff. Date	Name of Review
78	42WNMF4640	9/30/2007	Large Deductible
79	61WNMS5820	8/1/2008	Large Deductible
80	72WNC94700	6/30/2007	Large Deductible
81	72WNC94702	6/30/2008	Large Deductible
82	72WNMG2641	4/1/2006	Large Deductible
83	72WNMG3270	1/1/2007	Large Deductible
84	83WNMS9010	4/30/2007	Large Deductible

Reference: §287.955.3. RSMo and NCCI Forms Manual.

- The NCCI's rules require that a notice be sent on an approved form regarding the MOCCPAP adjustment credit. The examiners found that the Company failed to send a notice on an approved form concerning the MOCCPAP adjustment credit in the following two policies.

No.	Policy No.	Eff. Date
1	14WNMG3560	1/1/2008
2	02WNJ77000	7/1/2007
3	84WBCZF6041	7/10/2009

Reference: §287.955.3. RSMo and NCCI Basic Manual (2001 MO)-
Miscellaneous Rules: MO Contracting Classification Premium Adjustment
Program.

- The NCCI's rules require that the Company verify payroll at audit to determine the MOCCPAP credit. The Company failed to verify payroll at audit for the MOCCPAP credit concerning the following policy.

No.	Policy No.	Eff. Date
1	84WBBO6898	1/1/2010
2	37WBCPN8254	1/29/2006
3	52WBTS9972	8/31/2007
4	84WBCIN9663	10/6/2008
5	84WBCTI5382	9/29/2007

Reference: §287.955.3. RSMo and NCCI Basic Manual (2001 MO)-
Miscellaneous Rules: MO Contracting Classification Premium Adjustment
Program.

4. The NCCI's rules require that the Company use the correct schedule rating factor. The Company failed to use the correct schedule rating factor resulting in the following two errors concerning small deductible policies.

No.	Policy No.	Eff. Date	Name of Review
1	37WBCJ0459	1/1/2008	Small Deductible
2	84WBB06898	1/1/2008	Small Deductible

Reference: §287.955.3. RSMo.

5. The NCCI's rules require that the Company correctly credit the premium deductible amount. The Company failed to properly credit the premium deductible amount. The Company incorrectly debited them resulting in premium overcharges in the following two large deductible files.

No.	Policy No.	Eff. Date	O/C	Est. Int. as of date of Criticism	Total	Paid/Not Paid	Name of Review
1	40WNMG2691	4/29/2006	\$561	\$249.58	\$816.51	Not Paid	Large Deductible
2	72WNMG2641	4/1/2006	\$94	\$42.07	\$136.07	Not Paid	Large Deductible

Reference: §287.955.3. RSMo.

6. The NCCI's rules require that the Company correctly credit the premium deductible amount. The Company incorrectly used the MOCCPAP credit in the following six policies.

No.	Policy No.	Eff. Date	Premium Undercharge
1	84WBBO6898	1/1/2009	
2	84WBCJL3897	7/15/2010	\$1,600
3	84WBCT15832	9/29/2007	\$2,899
4	84WBCZF6041	7/10/2009	\$196
5	84WBCZL4806	9/30/2009	\$20
6	84WBGPU6746	3/3/2009	\$700

Reference: §287.955.3. RSMo.

7. The NCCI's rules require that the Company correctly apply the short-rate surcharge to the premium. The Company failed to apply the short-rate surcharge to the premium in the following large deductible file.

Policy No.	Eff. Date	Name of Review
83WNMS9010	4/30/2007	Large Deductible

Reference: §287.955.3. RSMo.

8. The NCCI's uniform classification system and uniform experience rating plan require the use of the correct experience modification factor. The examiners found that the Company failed to use the correct experience modification factor in the following eight large 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	Name o Review
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1	10WNC76700	3/1/2007	.97	.94	\$148				N/A	Large Deductib
2	10WNC75900	12/1/2006	.49	.69		\$5,379.11			Not Paid	Large Deductib
3	20WND71400	4/1/2007	1.49	1.53					N/A	Large Deductib
4	20WND74700	10/1/2007	.76	.73					N/A	Large Deductib
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	Name o Review
5	37WNMS3453	7/1/2008	.68	.65					N/A	Large Deductib
6	52WNC92901	1/1/2006	1.05	1.01		\$10,611.47			Not Paid	Large Deductib
7	20WND71300	7/31/2006	.91	1.01		\$451.04			Not Paid	Large Deductib
8	72WNC94702	6/30/2008	.81	.90	\$19				N/A	Large Deductib

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

9. The NCCI's uniform classification system and uniform experience rating plan require the use of the correct classification code. The Company failed to use the correct classification code in the following large deductible file.

Policy No.	Eff. Date
39WNC73201	5/1/2006

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

10. The NCCI's rules require the use of the correct deductible credit rate and Missouri law requires that the rates be properly filed. The Company failed to use the correct deductible credit rate in the following 12 small deductible files. In eight files the incorrect deductible credit rate factor was used (items 1, 6-12). In four files, the factor was not filed with the Missouri DIFP (items 2-5).

No.	Policy No.	Eff. Date	Inc. Rate Used	Correct Rate	U/C	O/C	Est. Int. as of date of criticism	Total	Paid/ Not Paid	Name of Review
1	83WBRE3478	8/1/2007	6.8	16.8		\$8,525	\$2,789.71	\$11,314.71	Not Paid	Small Deductible
2	2WBCGM7234	5/1/2007	.074	.086		\$225	\$81.84	\$306.84	Not Paid	Small Deductible
No.	Policy No.	Eff. Date	Inc. Rate Used	Correct Rate	U/C	O/C	Est. Int. as of date of criticism	Total	Paid/ Not Paid	Name of Review
3	37WBCGM7234	5/1/2008	.074	.084		\$149	\$41.26	\$190.26	Not Paid	Small Deductible
4	37WBCGM7234	5/1/2009	.074	.06	\$205					Small Deductible
5	37WBCRX4951	3/20/2011	.056	.004	\$45					Small Deductible
6	83WBSZ9321	3/31/2008	3.3	2.3	\$186					Small Deductible
7	84WBBO6898	1/1/2008	5.7	3.9	\$1,502					Small Deductible
8	84WBBO6898	1/1/2009	3.9	2.8	\$1,140					Small Deductible
9	84WBQRF3992	10/31/2008	.042	.039	\$20					Small Deductible
10	84WBQRF3992	10/31/2010	.042	.028		\$1,130	\$76.35	\$1,205.35	Not Paid	Small Deductible
11	84WBQRF3992	10/31/2007	.042	.04	\$13					Small Deductible
12	84WBQRF3992	10/31/2009	.042	.027	\$152					Small Deductible

Reference: §§ 287.955.1, 287.947.1. RSMo, 20 CSR 500-6.950(2)(I),(3)(B)3., and Basic Manual (2001 Edition)-MO Miscellaneous Rules: Deductible Insurance.

11. The Company examiners found that 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 12 errors.

No.	Policy No.	Eff. Date	Name of Review
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1	42WBDO4747	7/19/2010	Small Deductible
2	83WBRE3478	8/1/2007	Small Deductible
3	37WBCGM7234	5/1/2007	Small Deductible
4	37WBCGM7234	5/1/2008	Small Deductible
No.	Policy No.	Eff. Date	Name of Review
5	84WBBO6898	1/1/2008	Small Deductible
6	84WBBO6898	1/1/2009	Small Deductible
7	84WBQRF3992	10/31/2008	Small Deductible
8	84WBBO6898	1/1/2010	Small Deductible
9	84WBCRF3992	10/31/2010	Small Deductible
10	84WBCRF3992	10/31/2006	Small Deductible
11	84WBCRF3992	10/31/2009	Small Deductible
12	37WBCGM7234	5/1/2009	Small Deductible

Reference: §§287.715, and 287.310.9, RSMo

12. 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 its large deductible plan and the following 84 large deductible 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	01WNMF5770	3/5/2008	Large Deductible
2	02WNJ77000	7/1/2007	Large Deductible

3	04WNMF5780	4/1/2007	Large Deductible
4	08WNMF5930	1/1/2006	Large Deductible
5	10WNC47906	6/30/2006	Large Deductible
6	10WNC71600	3/15/2007	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
7	10WNC71701	6/1/2007	Large Deductible
8	10WNC75900	12/1/2006	Large Deductible
9	10WNC76600	2/6/2007	Large Deductible
10	10WNC76600	10/1/2007	Large Deductible
11	13WNMG3170	11/27/2007	Large Deductible
12	20WNC75400	11/9/2006	Large Deductible
13	20WNC77100	6/1/2007	Large Deductible
14	20WNC90918	11/9/2006	Large Deductible
15	20WND67403	1/1/2008	Large Deductible
16	20WND71300	7/31/2006	Large Deductible
17	20WND71400	4/1/2007	Large Deductible
18	20WND71400	4/1/2008	Large Deductible
19	20WND72600	7/25/2007	Large Deductible
20	20WND74700	10/1/2007	Large Deductible
21	20WNJ45215	10/1/2007	Large Deductible
22	20WNJ71100	8/1/2007	Large Deductible
23	20WNMF5434	7/1/2007	Large Deductible
24	20WNMS8450	11/1/2006	Large

			Deductible
25	20WNMS8860	1/1/2010	Large Deductible
26	20WNMS9020	6/1/2007	Large Deductible
27	20WNMS9260	10/1/2006	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
28	20WNMS9700	1/1/2008	Large Deductible
29	20WNR20200	7/1/2008	Large Deductible
30	21WNMG3333	3/1/2008	Large Deductible
31	21WNMS8100	1/31/2007	Large Deductible
32	21WNMS8200	4/1/2006	Large Deductible
33	21WNMS8200	4/1/2008	Large Deductible
34	21WNMS9810	4/1/2008	Large Deductible
35	22WNC79300	4/1/2008	Large Deductible
36	30WNMS8980	4/1/2007	Large Deductible
37	30WNMS9031	6/1/2006	Large Deductible
38	30WNMS9932	7/1/2006	Large Deductible
39	30WNMS9932	7/1/2007	Large Deductible
40	31WNC72201	9/27/2006	Large Deductible
41	31WNC72201	9/27/2007	Large Deductible
42	31WNC74704	4/15/2008	Large Deductible
43	34WND75400	4/19/2006	Large Deductible
44	35WNMG3660	2/29/2008	Large Deductible
45	35WNMS5410	1/1/2007	Large

			Deductible
46	35WNMS9340	12/31/2006	Large Deductible
47	37WNC79000	4/1/2008	Large Deductible
48	37WNMS3453	7/1/2008	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
49	38WNMD5080	9/1/2008	Large Deductible
50	40WNMG2691	4/29/06	Large Deductible
51	42WNMF4640	9/30/2007	Large Deductible
52	42WNMG2540	1/1/2008	Large Deductible
53	42WNMS8620	4/1/2006	Large Deductible
54	42WNMS9060	6/28/2006	Large Deductible
55	42WNMS9060	6/28/2007	Large Deductible
56	43WND69900	8/1/2007	Large Deductible
57	46WNR27800	5/30/2009	Large Deductible
58	52WNC92901	1/1/2006	Large Deductible
59	57WNMS5810	3/23/2007	Large Deductible
60	57WNMS9920	6/6/2006	Large Deductible
61	61WNJ53300	7/1/2007	Large Deductible
62	61WNMS5820	8/1/2008	Large Deductible
63	72WNC94700	6/30/2007	Large Deductible
64	72WNC94702	6/30/2008	Large Deductible
65	72WNMG2641	4/1/2006	Large Deductible
66	72WNMG3270	1/1/2007	Large

			Deductible
67	72WNMG3400	5/1/2007	Large Deductible
68	72WNMG3490	9/1/2007	Large Deductible
69	81WND73500	2/1/2007	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
70	83WND55159	7/1/2006	Large Deductible
71	83WND75200	3/1/2007	Large Deductible
72	83WND75300	4/1/2006	Large Deductible
73	83WNMS9010	4/30/2007	Large Deductible
74	84WND59503	12/1/2007	Large Deductible
75	91WNMS5370	10/1/2006	Large Deductible
76	22WNJ44750	4/1/2006	Large Deductible
77	42WNJ75101	7/1/2006	Large Deductible
78	10WNMS9800	3/28/2006	Large Deductible
79	14WNMG3560	1/1/2008	Large Deductible
80	20WNJ76700	6/1/2007	Large Deductible
81	39WNC73201	5/1/2006	Large Deductible
82	16WNC74200	8/1/2006	Large Deductible
83	20WNMF4810	2/23/2006	Large Deductible
84	10WNC76700	3/1/2007	Large Deductible

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(2)(I), (3)(B)3., (5)(B) & (7) and Company Rate Filings.

13. 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 apply the correct terrorism factor in the following 66 large deductible policy files.

No.	Policy No.	Eff. Date	Undercharge	Name of Review
1	01WNMF5770	3/5/2008		Large Deductible
2	02WNJ77000	7/1/2007		Large Deductible
3	04WNMF5780	4/1/2007		Large Deductible
4	08WNMF5930	1/1/2006		Large Deductible
5	10WNC47906	6/30/2006		Large Deductible
6	10WNC71600	3/15/2007		Large Deductible
7	10WNC71701	6/1/2007		Large Deductible
8	10WNC75900	12/1/2006		Large Deductible
9	10WNC76600	2/6/2007		Large Deductible
10	10WNC76600	10/1/2007		Large Deductible
11	20WNC75400	11/9/2006		Large Deductible
12	20WNC77100	6/1/2007		Large Deductible
13	20WNC90918	11/9/2006		Large Deductible
14	20WND67403	1/1/2008		Large Deductible
15	20WND71300	7/31/2006		Large Deductible
16	20WND71400	4/1/2007		Large Deductible
17	20WND71400	4/1/2008		Large Deductible
18	20WND72600	7/25/2007		Large Deductible
19	20WND74700	10/1/2007		Large Deductible

20	20WNJ45215	10/1/2007		Large Deductible
21	20WNMS8860	1/1/2010		Large Deductible
No.	Policy No.	Eff. Date	Undercharge	Name of Review
22	20WNMS9020	6/1/2007		Large Deductible
23	20WNMS9700	1/1/2008		Large Deductible
24	20WNR20200	7/1/2008		Large Deductible
25	21WNMG3333	3/1/2008		Large Deductible
26	21WNMS8100	1/31/2007		Large Deductible
27	21WNMS8200	4/1/2006		Large Deductible
28	21WNMS8200	4/1/2008		Large Deductible
29	30WNMS9932	7/1/2007		Large Deductible
30	31WNC72201	9/27/2006		Large Deductible
31	31WNC72201	9/27/2007		Large Deductible
32	31WNC74704	4/15/2008		Large Deductible
33	34WND75400	4/19/2006		Large Deductible
34	35WNMG3660	2/29/2008		Large Deductible
35	37WNMS3453	7/1/2008		Large Deductible
36	43WND69900	8/1/2007		Large Deductible
37	46WNR27800	5/30/2009		Large Deductible
38	52WNC92901	1/1/2006		Large Deductible
39	57WNMS5810	3/23/2007		Large Deductible
40	61WNJ53300	7/1/2007		Large Deductible

41	72WNMG3400	5/1/2007		Large Deductible
42	72WNMG3490	9/1/2007		Large Deductible
No.	Policy No.	Eff. Date	Undercharge	Name of Review
43	83WND75200	3/1/2007		Large Deductible
44	84WND59503	12/1/2007		Large Deductible
45	30WNMS9932	7/1/2006	\$79.00	Large Deductible
46	38WNMD5080	9/1/2008	\$44.00	Large Deductible
47	42WNJ75101	7/1/2006	\$570.00	Large Deductible
48	61WNMS5820	8/1/2008	\$515.00	Large Deductible
49	72WNC94702	6/30/2008		Large Deductible
50	83WNMS9010	4/30/2007		Large Deductible
51	13WNMG3170	11/27/2007	\$335.00	Large Deductible
52	20WNJ71100	8/1/2007	\$1,733.00	Large Deductible
53	20WNMF5434	7/1/2007	\$221.00	Large Deductible
54	22WNC79300	4/1/2008	\$494.00	Large Deductible
55	30WNMS8980	4/1/2007	\$3.00	Large Deductible
56	42WNMF4640	9/30/2007	\$2,796.00	Large Deductible
57	72WNC94700	6/30/2007	\$62.00	Large Deductible
58	10WNMS9800	3/28/2006	\$1,284.00	Large Deductible
59	14WNMG3560	1/1/2008	\$109.00	Large Deductible
60	20WNJ76700	6/1/2007	\$1,216.00	Large Deductible
61	39WNC73201	5/1/2006	\$1,992.00	Large Deductible

62	10WNC76700	3/1/2007	\$672.00	Large Deductible
63	16WNC74200	8/1/2006	\$535.00	Large Deductible
No.	Policy No.	Eff. Date	Undercharge	Name of Review
64	20WNMF4810	2/23/2006	\$3,252.00	Large Deductible
65	22WNJ44750	4/1/2006	\$2,868.00	Large Deductible
66	83WNMS9010	4/30/2007	\$90.00	Large Deductible

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(2)(I), (3)(B)3., (5)(B) & (7) and Company Rate Filings.

14. 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 use the correct, filed, premium discount rate in the following two small deductible policy files.

No.	Policy No.	Eff. Date	Name of Review
1	83WBRE3478	8/1/2007	Small Deductible
2	84WBBO6898	1/1/2008	Small Deductible

Reference: §287.947.1. RSMo, 20 CSR 500-6.950(2)(I), (3)(B)3., (5)(B) & (7) and Company Rate Filings.

15. The Company failed to apply the correct Administrative Surcharge rate to the premium amount, resulting in the following 28 errors.

No.	Policy No.	Eff. Date	Premium Undercharge	Premium Overcharge	Est. Int. as of date of criticism	Restitution	Paid/Not Paid	Name of Review
1	20WNMS8450	11/1/2006		\$168.00	\$65.71	\$233.71	Paid	Large Deductible
2	30WNMS9031	6/1/2006		\$143.00	\$61.29	\$204.29	Paid	Large Deductible

No.	Policy No.	Eff. Date	Premium Undercharge	Premium Overcharge	Est. Int. as of date of criticism	Restitution	Paid/Not Paid	Name of Review
3	39WNC73201	5/1/2006	\$1,172.00					Large Deductible
4	16WNC74200	8/1/2006		\$559.00	\$231.59	\$790.59	Not Paid	Large Deductible
5	20WNMF4810	2/23/2006		\$1,725.00	\$782.28	\$2,507.28	Not Paid	Large Deductible
6	10WNMS9800	3/28/2006	\$1,122.00					Large Deductible
7	20WNJ76700	6/1/2007	\$1,328.00					Large Deductible
8	08WNMF5930	1/1/2006		\$26.00	\$15.24	\$41.24	Paid	Large Deductible
9	10WNC47906	6/30/2006		\$9.00	\$4.88	\$13.88	Paid	Large Deductible
10	10WNC75900	12/1/2006		\$3,577.00	\$1,802.11	\$5,379.11	Paid	Large Deductible
11	20WNC75400	11/9/2006		\$8.00	\$4.07	\$12.07	Paid	Large Deductible
12	20WNC90918	11/9/2006		\$15.00	\$7.64	\$22.64	Paid	Large Deductible
13	20WND71300	7/31/2006		\$294.00	\$157.04	\$451.04	Paid	Large Deductible
14	20WNMS9260	10/1/2006		\$338.00	\$175.37	\$513.37	Paid	Large Deductible
15	21WNMS8200	4/1/2006		\$448.00	\$252.66	\$700.66	Paid	Large Deductible
16	31WNC72201	9/27/2006		\$70.00	\$36.39	\$106.39	Paid	Large Deductible
17	34WND75400	4/19/2006		\$403.00	\$225.49	\$628.49	Paid	Large Deductible
18	42WNMS8620	4/1/2006		\$16.00	\$9.02	\$25.02	Paid	Large Deductible
19	42WNMS9060	6/28/2006		\$17.00	\$9.22	\$26.22	Paid	Large Deductible
20	52WNC92901	1/1/2006		\$6,690.00	\$3,921.47	\$10,611.47	Paid	Large Deductible
21	57WNMS9920	6/6/2006		\$8.00	\$4.38	\$12.38	Paid	Large Deductible
22	83WND55159	7/1/2006		\$133.00	\$72.02	\$205.02	Paid	Large Deductible
23	22WNJ44750	4/1/2006		\$1,671.00	\$741.72	\$2,412.72	Paid	Large

No.	Policy No.	Eff. Date	Premium Undercharge	Premium Overcharge	Est. Int. as of date of criticism	Restitution	Paid/Not Paid	Name of Review
24	30WNMS9932	7/1/2006						Deductible Large Deductible
25	40WNMG2691	4/29/2006		\$567.00	\$249.58	\$816.58	Paid	Large Deductible
26	42WNJ75101	7/1/2006	\$427.00					Large Deductible
27	84WBCRF3992	10/31/2006						Small Deductible
28	37WBRE7997	9/1/2006		\$176	\$75.35	\$251.35	Paid	Small Deductible

Reference: §287.716.1. RSMo.

16. The Company failed to apply the Administrative 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 11 small deductible Administrative Surcharge errors.

No.	Policy No.	Eff. Date	Premium Overcharge	Est. Int. as of date of criticism	Restitution	Paid/Not Paid	Name of Review
1	42WBDO4747	7/19/2010					Small Deductible
2	83WBRE3478	8/1/2007					Small Deductible
3	37WBCGM7234	5/1/2009					Small Deductible
4	37WBCRX4951	3/20/2011					Small Deductible
5	83WBSZ9321	3/31/2008					Small Deductible
6	84WBBO6898	1/1/2010	\$32.00	\$4.55	\$36.55	Not Paid	Small Deductible
7	84WBCRF3992	10/31/2010	\$1,130.00	\$76.35	\$1,206.35	Not Paid	Small Deductible

8	37WBCGM7234	5/1/2007					Small Deductible
No.	Policy No.	Eff. Date	Premium Overcharge	Est. Int. as of date of criticism	Restitution	Paid/Not Paid	Name of Review
9	37WBCGM7234	5/1/2008					Small Deductible
10	84WBB06898	1/1/2008					Small Deductible
11	84WBB06898	1/1/2009					Small Deductible

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

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

Field Size: 348
Sample Size: 84
Type of Sample: Random
Number of Errors: 84
Error Ratio: 100%
Within DIFP Guidelines: No

17. The Company is required to include the insurer's phone number within the policy or contract or in written form annexed to the policy. 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 in the following 84 large deductible policies. These instances pertained to Missouri's Unfair Trade Practices Act.

No.	Policy No.	Eff. Date	Name of Review
1	01WNMF5770	3/5/2008	Large Deductible
2	02WNJ77000	7/1/2007	Large Deductible
3	04WNMF5780	4/1/2007	Large Deductible
4	08WNMF5930	1/1/2006	Large Deductible

5	10WNC47906	6/30/2006	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
6	10WNC71600	3/15/2007	Large Deductible
7	10WNC71701	6/1/2007	Large Deductible
8	10WNC75900	12/1/2006	Large Deductible
9	10WNC76600	2/6/2007	Large Deductible
10	10WNC76600	10/1/2007	Large Deductible
11	20WNC75400	11/9/2006	Large Deductible
12	20WNC77100	6/1/2007	Large Deductible
13	20WNC90918	11/9/2006	Large Deductible
14	20WND67403	1/1/2008	Large Deductible
15	20WND71300	7/31/2006	Large Deductible
16	20WND71400	4/1/2007	Large Deductible
17	20WND71400	4/1/2008	Large Deductible
18	20WND72600	7/25/2007	Large Deductible
19	20WND74700	10/1/2007	Large Deductible
20	20WNJ45215	10/1/2007	Large Deductible
21	20WNMS8860	1/1/2010	Large Deductible
22	20WNMS9020	6/1/2007	Large Deductible
23	20WNMS9260	10/1/2006	Large Deductible
24	20WNMS9700	1/1/2008	Large Deductible
25	20WNR20200	7/1/2008	Large Deductible
26	21WNMG3333	3/1/2008	Large Deductible

27	21WNMS8100	1/31/2007	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
28	21WNMS8200	4/1/2006	Large Deductible
29	21WNMS8200	4/1/2008	Large Deductible
30	21WNMS9810	4/1/2008	Large Deductible
31	30WNMS9932	7/1/2006	Large Deductible
32	31WNC72201	9/27/2006	Large Deductible
33	31WNC72201	9/27/2007	Large Deductible
34	31WNC74704	4/15/2008	Large Deductible
35	34WND75400	4/19/2006	Large Deductible
36	35WNMG3660	2/29/2008	Large Deductible
37	35WNMS5410	1/1/2007	Large Deductible
38	35WNMS9340	12/31/2006	Large Deductible
39	37WNC79000	4/1/2008	Large Deductible
40	37WNMS3453	7/1/2008	Large Deductible
41	42WNMG2540	1/1/2008	Large Deductible
42	42WNMS8620	4/1/2006	Large Deductible
43	42WNMS9060	6/28/2006	Large Deductible
44	42WNMS9060	6/28/2007	Large Deductible
45	43WND69900	8/1/2007	Large Deductible
46	46WNR27800	5/30/2009	Large Deductible
47	52WNC92901	1/1/2006	Large Deductible
48	57WNMS5810	3/23/2007	Large Deductible

49	57WNMS9920	6/6/2006	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
50	61WNJ53300	7/1/2007	Large Deductible
51	72WNMG3400	5/1/2007	Large Deductible
52	72WNMG3490	9/1/2007	Large Deductible
53	81WND73500	2/1/2007	Large Deductible
54	83WND55159	7/1/2006	Large Deductible
55	83WND75200	3/1/2007	Large Deductible
56	83WND75300	4/1/2006	Large Deductible
57	84WND59503	12/1/2007	Large Deductible
58	91WNMS5370	10/1/2006	Large Deductible
59	10WN C76700	3/1/2007	Large Deductible
60	10WN MS9800	3/28/2006	Large Deductible
61	13WN MG3170	11/27/2007	Large Deductible
62	14WN MG3560	1/1/2008	Large Deductible
63	16WN C74200	8/1/2006	Large Deductible
64	20WN J71100	8/1/2007	Large Deductible
65	20WN J76700	6/1/2007	Large Deductible
66	20WN MF4810	2/23/2006	Large Deductible
67	20WN MF5434	7/1/2007	Large Deductible
68	20WN MS8450	11/1/2006	Large Deductible
69	22WN C79300	4/1/2008	Large Deductible
70	22WN J44750	4/1/2006	Large Deductible

71	30WN MS8980	4/1/2007	Large Deductible
No.	Policy No.	Eff. Date	Name of Review
72	30WN MS9031	6/1/2006	Large Deductible
73	30WN MS9932	7/1/2006	Large Deductible
74	38WN MD5080	9/1/2008	Large Deductible
75	39WN C73201	5/1/2006	Large Deductible
76	40WN MG2691	4/29/2006	Large Deductible
77	42WN J75101	7/1/2006	Large Deductible
78	42WN MF4640	9/30/2007	Large Deductible
79	61WN MS5820	8/1/2008	Large Deductible
80	72WN C94700	6/30/2007	Large Deductible
81	72WN C94702	6/30/2008	Large Deductible
82	72WN MG2641	4/1/2006	Large Deductible
83	72WN MG3270	1/1/2007	Large Deductible
84	83WN MS9010	4/30/2007	Large Deductible

Reference: §375.924.1. RSMo

18. The examiners found that the Company attached a waiver of subrogation endorsement to the following large deductible policy which had construction codes concerning the following file. The Company was not allowed to waive subrogation for policies with contracting class codes since it was against public policy and therefore, void.

Policy No.	Eff. Date	Premium Undercharge	Name of Review
14WNMG3560	1/1/2008	\$109.00	Large Deductible

Reference: §§287.150.6, 408.020 RSMo and NCCI Basic Manual Rule 3-22 and MO Exception to Rule 3-22.

19. The Company failed to complete the audit and bill or return premium concerning the following nine policies within one hundred twenty (120) days of policy expiration or cancellation. There is no documentation or evidence of a mutual agreement or that the delay was caused by the policyholder. One policy did not have a refund that was due at the end of the audit, and therefore no interest or restitution was applicable to the insured. The following eight policies identified with interest and restitution amounts were those policies that did have refund amounts that were due and previously paid by the Company. As a result, due to the lateness of the amounts that were refunded by the Company, the following eight interest amounts were applied in the form of restitution.

No.	Policy No.	Eff. Date	Est. Int. as of date of criticism	Restitution	Invoiced /Refund Due	Paid/ Not Paid	Days Late	Name of Review
1	42WNMF4640	9/30/2007			Invoiced	N/A	113	Large Deductible
2	13WNMG3170	11/27/2007	\$33.11	\$33.11	Refund Due	Not Paid	131	Large Deductible
3	20WNJ76700	6/1/2007	\$23.85	\$23.85	Refund Due	Not Paid	135	Large Deductible
4	30WNMS8980	4/1/2007	\$0.07	\$0.07	Refund Due	Not Paid	107	Large Deductible
5	40WNMG2691	4/29/2006	\$11.34	\$11.34	Refund Due	Not Paid	59	Large Deductible
6	61WNMS5820	8/1/2008	\$0.17	\$0.17	Refund Due	Not Paid	22	Large Deductible
7	72WNMG2641	4/1/2006	\$0.36	\$0.36	Refund Due	Not Paid	128	Large Deductible
8	83WNMS9010	4/30/2007	\$121.59	\$121.59	Refund Due	Not Paid	338	Large Deductible
9	84WBBO6898	1/1/2010	\$24.29	\$24.29	Refund Due	Not Paid	136	Small Deductible

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

20. The Company failed to document the following file with the basis for the schedule rating modification credit applied to the following small deductible policy premium.

Policy No.	Eff. Date	Name of Review
37WBCGM7234	5/1/2007	Small Deductible

Reference: §§ 374.205, 287.350 RSMo, 20 CSR-500-4.100(7)(D)1., and 20 CSR 300-2.200 [as replaced by 20 CSR 100-8.040].

As a result of analysis, the examiners conducted a review of MOCCPAP policy files with a construction class code in the governing class code or the audit class code. This was done to ensure that the Company was sending out the necessary notification letters concerning the adjustment credit, to ensure the proper credit was applied to the policy and that the Company verified the payroll at the final audit. The following are the results of the reviews:

21. The NCCI's rules require that a notice be sent on an approved form regarding the MOCCPAP adjustment credit. The examiners found that the Company failed to send a notice on an approved form concerning the MOCCPAP adjustment credit in the following policy.

No.	Policy No.	Eff. Date	Name of Review
1	84WBCZF6041	7/10/2009	MOCCPAP

Reference: §287.955.3. RSMo and NCCI Basic Manual (2001 MO)- Miscellaneous Rules: MO Contracting Classification Premium Adjustment Program.

22. The NCCI's rules require that the Company verify payroll at audit to determine the MOCCPAP credit. The Company failed to verify payroll at audit for the MOCCPAP credit concerning the following four policies.

No.	Policy No.	Eff. Date	Name of Review
1	37WBCPN8254	1/29/2006	MOCCPAP
2	52WBTS9972	8/31/2007	MOCCPAP
3	84WBCIN9663	10/6/2008	MOCCPAP
4	84WBCTI5382	9/29/2007	MOCCPAP

Reference: §287.955.3. RSMo and NCCI Basic Manual (2001 MO)-
Miscellaneous Rules: MO Contracting Classification Premium Adjustment
Program.

23. The NCCI's rules require that the Company correctly credit the premium deductible amount. The Company incorrectly used the MOCCPAP credit in the following five files.

No.	Policy No.	Eff. Date	Premium Undercharge	Name of Review
1	84WBCJL3897	7/15/2010	\$1,600	MOCCPAP
2	84WBCT15832	9/29/2007	\$2,899	MOCCPAP
3	84WBCZF6041	7/10/2009	\$196	MOCCPAP
4	84WBCZL4806	9/30/2009	\$20	MOCCPAP
5	84WBGPU6746	3/3/2009	\$700	MOCCPAP

Reference: §287.955.3. RSMo.

24. The Company examiners found that 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 two errors.

No.	Policy No.	Eff. Date	Name of Review
7	84WBCJL3897	7/15/2010	MOCCPAP
8	84WBCT15832	9/29/2007	MOCCPAP

Reference: §§287.715, and 287.310.9, 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 found the following exception during this review.

1. The Company failed to provide an adequate response to the DIFP regarding a complaint within 20 day calendar days in the following file. An extension of four days was granted by the DIFP to the Company. The response letter received was five days late after the four day extension that was granted.

<u>Complaint Number</u>	<u>Days Late</u>
2006002718	5

Reference: §374.085 RSMo and 20 CSR-100-4.100(2)(A).

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. The examiners discovered no issues or concerns regarding the criticisms and formal requests that were requested by the examiners and responded to by the Company for this examination.

A. Criticism Time Study

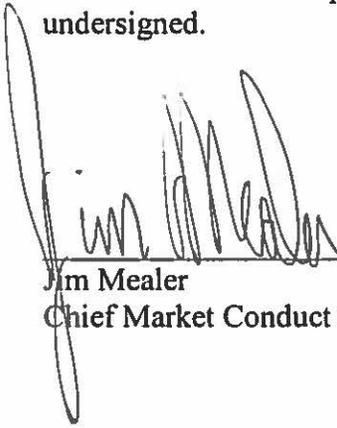
<u>Calendar Days</u>	<u>Number of Criticisms</u>	<u>Percentage</u>
Received within the time limit including any extensions:	65	100.0%
Received outside time limit including any extensions:	0	0.0%
No response:	0	0.0%
Total:	65	100.0%

B. Formal Request Time Study

<u>Calendar Days</u>	<u>Number of Formal Requests</u>	<u>Percentage</u>
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%

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Hartford Fire Insurance Company (NAIC #19682), Examination Number 1104-33-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.



Jim Mealer
Chief Market Conduct Examiner

4/26/17

Date