

BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

SAFE INSURANCE COMPANY

Administrative Proceeding No. 25-IC-179312

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ADOPTING
REPORT OF MARKET CONDUCT EXAMINATION

NOW COMES, Allan L. McVey, Insurance Commissioner of the State of West Virginia (hereinafter, “Commissioner”), who, after consideration of the *Report of Market Conduct Examination* (hereinafter, the “*Examination Report*”) of Safe Insurance Company (hereinafter, “Safe”) for the examination period ending December 31, 2024, made the following findings of fact and conclusions of law and order.

FINDINGS OF FACT

1. The market conduct examination was a statutory examination focusing on standards contained in the *Market Regulation Handbook*. The examination was conducted in accordance with W. Va. Code §33-2-9(c) by examiners duly appointed by the Commissioner and covered the period of January 1, 2022 through December 31, 2024.

2. On or about October 17, 2025, the examiner filed with the Commissioner, pursuant to W. Va. Code §33-2-9, the *Examination Report*.

3. A true copy of the *Examination Report* was provided to Safe and Safe was notified, pursuant to W.Va. Code §33-2-9(j)(2), that it had ten (10) days after receipt of the *Examination Report* to file a submission or rebuttal with the Commissioner.

4. As set forth in the *Examination Report*, the examination focused on the methods used by Safe to manage its operations for each of the areas examined, including whether and how Safe complies with West Virginia's statutory and regulatory law.

5. The exam did not discover any instances where Safe was non-compliant with West Virginia law.

6. The Commissioner reviewed the *Examination Report* and considered Safe submissions prior to issuing these findings of fact, conclusions of law and order.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over the subject matter and the parties to this proceeding.

2. This proceeding is conducted pursuant to and in accordance with W. Va. Code §33-2-9.

3. The Commissioner is charged with the responsibility of verifying Safe's continued compliance with West Virginia law.

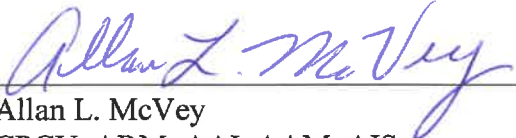
4. As detailed in the *Examination Report*, Safe was compliant or predominantly compliant with all twenty-six (26) standards reviewed.

ORDER

Pursuant to W.Va. Code §33-2-9(j)(3)(A), following the review of the *Examination Report*, the examination work papers, and Safe's response thereto, it is **ORDERED** as follows:

1. The referenced and attached *Examination Report* is hereby **ADOPTED** and **APPROVED** and by this reference, incorporated herein and made a part hereof; and
2. Safe shall continue to monitor its compliance with applicable West Virginia law.

Entered this 12th day of November, 2025.


Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

Report of Market Conduct Examination

As of December 31, 2024



Safe Insurance Company

1017 Sixth Ave.
Huntington, WV 25701

NAIC COMPANY CODE 15415
Examination Number 25-IC-179312

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October 17, 2025

The Honorable Allan L. McVey, CPCU, ARM, AAI, AAM, AIS
West Virginia Insurance Commissioner
900 Pennsylvania Avenue
Charleston, West Virginia 25302

Dear Commissioner McVey:

Pursuant to your instructions and in accordance with *W.Va. Code §33-2-9*, an examination has been made as of December 31, 2024 regarding the business affairs of:

Safe Insurance Company
1017 Sixth Ave.
Huntington, WV 25701

Hereinafter referred to as "Safe" or the "Company." The following report of the findings of this examination is herewith respectfully submitted.

COMPLIANCE WITH PREVIOUS EXAMINATION RECOMMENDATIONS

The West Virginia Office of the Insurance Commissioner (“WVOIC”) previously conducted a comprehensive market conduct examination of the Company as of March 31, 2020. These examination findings included two (2) areas where the Company was found to be predominantly compliant:

- Standard D2: The Company accepted an application from one (1) producer who was not properly appointed in violation of W. Va. Code §33-12-3(d) and W. Va. Code §33-12-18.
- Standard F18: One (1) Commercial New Business policy did not have an application/endorsement change form signed by the insured in the policy file.

The previous recommendations for Standard D2 and Standard F18 appear to have been addressed, and no subsequent failures were observed.

PURPOSE AND SCOPE OF THE EXAMINATION

This statutory examination was performed by a market conduct examiner with the WVOIC; the purpose was to determine compliance with West Virginia (WV) laws and regulations by reviewing certain company business practices. The period covered was January 1, 2022 through December 31, 2024. W. Va. Code § 33-2-9 empowers the Commissioner to examine any entity engaged in the business of insurance. The findings in this report, including all work products developed in producing it, are the sole property of the WVOIC. The conclusions and findings of this market conduct examination are public record.

The basic business areas that were reviewed and tested under this examination were:

- Operations and Management
- Complaint Handling
- Producer Licensing
- Policyholder Service
- Underwriting and Rating
- Claims

West Virginia laws, regulations, and bulletins cited may be found at:

<https://www.wvinsurance.gov/Legal-Authority>. “W.Va. Code” as used herein refers to the West Virginia Code Annotated. “W.Va. Code R.” as used herein refers to the West Virginia Code of State Rules.

EXECUTIVE SUMMARY

The preliminary company review began May 14, 2025, with the entirety of the examination performed remotely. The Examiner was provided with access to the Company’s BriteCore system which houses company records, files, notes, and documentation. The file review commenced June 09, 2025, and concluded on September 24, 2025. A total of twenty-six (26) standards were reviewed during this examination. The Company was compliant in twenty-one (21), predominantly compliant in four (4) standards (A1, F1, F5 and G7), and one (1) was marked N/A.

No standard failure was found during the review; however, the market conduct examination revealed the following areas of review as predominantly compliant:

- **A1. OPERATIONS AND MANAGEMENT** – The Examiner was unable to locate a copy of the 2024 renewal declarations in one (1) policy folder. [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4]
- **F1. UNDERWRITING AND RATING** – One (1) policy was undercharged four dollars (\$4.00) for an increase in liability coverage. The Examiner **did not** find any evidence that suggested the undercharge in premium was intentional, discriminatory in nature, or harmed the consumer. [W. Va. Code §33-11-4(7)(c)]
- **F5. UNDERWRITING AND RATING** – One (1) policy renewal was sent out after the renewal date. The Examiner **did not** find any evidence of unfair discrimination in the handling of the policy renewals reviewed. [W. Va. Code §33-11-4(7)]
- **G7. CLAIMS** – One (1) partially denied claim notice omitted the claimant’s option of contacting the WVOIC. [W. Va. Code R. §114-14-6.17]

The Company should take immediate corrective action to demonstrate its ability and intention to conduct business according to the WV insurance laws and regulations. When applicable, corrective action for other jurisdictions needs to be addressed as well. The Examiner may not have discovered every unacceptable or non-compliant activity in which the Company is engaged. The failure to identify, comment on, or criticize specific Company practices does not constitute an acceptance of the practices by the WVOIC or its’ designee.

HISTORY AND PROFILE

Safe Insurance Company was formed in 1911, by West Virginians for West Virginians and continues to operate as one of the oldest insurance companies in WV. Safe is a Farmers’ Mutual Insurance Company domiciled in and incorporated under the laws of WV. The Company underwrites property and casualty insurance in both the personal and commercial lines of insurance, writing coverages solely in WV. Safe utilizes WV Independent Agents to market its products with a distribution network consisting of approximately forty-five (45) independent agencies. The predominant portion of the Company’s business is in personal lines with policies written on specified peril forms and written for Actual Cash Value indemnification. The Company does not participate in any off-balance sheet arrangements, high yield financing, or highly leveraged transactions.

Safe’s Home Office was originally located in Harrisville, WV, the county seat of Ritchie County. In 1987, Safe’s Home Office was moved to its present location in Huntington, WV. The Company began as an assessable mutual insurer writing fire and lightning coverage primarily for farmers. Safe evolved and eventually became a non-assessable mutual insurer and today offers a variety of property and casualty insurance products to meet the needs of West Virginians. The Company offers multiple products tailored specifically to meet niche exposures and risks. Safe is regulated under Chapter 33, Article 22 of the WV Insurance Code and is one of the original members of the West Virginia Association of Mutual Insurance Companies.

According to the National Association of Insurance Commissioners (NAIC) 2024 Market Analysis – Market Share Report, Safe had \$1,250,420 in written premiums and a Market Share of 0.205% in the State of West Virginia for Homeowners Insurance.

METHODOLOGY

The examination was conducted in accordance with the standards and procedures established by the NAIC and WV's applicable statutes and regulations. Each area of the examination has specific elements that were tested. Testing is based on guidelines contained in the *NAIC's 2024 Market Regulation Handbook* and are designed to measure the level of compliance with WV's statutes, rules and regulations.

The NAIC standards of 7% error ratio on claims tests (93% compliance rate) and 10% error ratio on all other tests (90% compliance rate) were used to determine whether or not an apparent pattern or practice of being compliant or non-compliant existed for any given test. Except as otherwise noted, tests were conducted via random sample taken from a given population where applicable. In the compliance table a "pass" response indicates compliance and a "fail" response indicates a failure to comply. The results of each test applied to a sample are reported separately.

This is a report by test, all tests applied to determine the Company's compliance are included in this report.

ELEMENTS OF REVIEW AND STANDARDS

A1. OPERATIONS AND MANAGEMENT: Records are adequate, accessible, consistent and orderly and comply with state record retention requirements. (2024 NAIC Market Regulation Handbook Chapter 20, § A Standard 7)

- Are the records adequate and accessible? [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4]

A2. OPERATIONS AND MANAGEMENT: The regulated entity cooperates on a timely basis with examiners performing the examinations. (2024 NAIC Market Regulation Handbook Chapter 20, § A Standard 9)

- Did the Company provide records and cooperate with examiners on a timely basis? [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4.9(a)]

B1. COMPLAINT HANDLING: All complaints are recorded in the required format on the regulated entity's complaint register. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 1)

- Is the Company recording all complaints, both directly from the consumer as well as the Commissioner's office, in a regulated complaint register? [W. Va. Code §33-11-4(10) and W. Va. Code R. §114-15-4.6, 7 and 8]

B2. COMPLAINT HANDLING: The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 2)

- Does the Company have adequate complaint handling procedures in place Per W. Va. Code §33-11-4(10)?

B3. COMPLAINT HANDLING: The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 4)

- Is the Company responding to complaints within fifteen (15) Working days as required by W. Va. Code R. §114-14-5.2?

D1. PRODUCER LICENSING: Regulated entity records of licensed and appointed (if applicable) producers and in jurisdictions where applicable, licensed company or contracted independent adjusters agree with department of insurance records. (2024 NAIC Market Regulation Handbook Chapter 20, § D Standard 1)

- Are the Company's producer licensing/ appointment records maintained per W.Va. Code R. §114-15-4.5?
- Do the Company's producer appointment records agree with the WVOIC records?

D2. PRODUCER LICENSING: The producers are properly licensed and appointed and have appropriate continuing education (if required by state law) in the jurisdiction where the application was taken. (2024 NAIC Market Regulation Handbook Chapter 20, § D Standard 2)

- Are the producers properly licensed and appointed for business solicited in West Virginia? [W. Va. Code §33-12-3(d) and W. Va. Code §33-12-18]
- Does the Company appoint the producer within fifteen (15) days of the date the producer submits their first application to the Company? [W. Va. Code §33-12-18(b)]
- Are all applications signed by properly licensed and appointed producers? [W. Va. Code §33-12-3]

D3. PRODUCER LICENSING: Termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the state, if applicable. (2024 NAIC Market Regulation Handbook Chapter 20, § D Standard 3)

- Does the Company notify the Commissioner's Office (on a form prescribed by the WVOIC) within thirty (30) days of terminating the producer's authority? [W. Va. Code §33-12-25 et seq.]
- Is the producer notified simultaneously? [W. Va. Code §33-12-25(d)]
- Does the Company notify the Commissioner's Office if the termination is for cause? [W.Va. Code §33-12-25(a)]

D4. PRODUCER LICENSING: Records of terminated producers adequately document reasons for termination. (2024 NAIC Market Regulation Handbook Chapter 20, § D Standard 5)

- Do company records document reason for producer termination? [W. Va. Code §33-12-25(a) and (b)]

E1. POLICYHOLDER SERVICE: Premium notices and billing notices are sent out with an adequate amount of advance notice. (2024 NAIC Market Regulation Handbook Chapter 20, § E Standard 1)

- Were renewal billing notices sent out in accordance with company guidelines?
- Were premium notices sent out for endorsement timely, not at policy expiration?

E2. POLICYHOLDER SERVICE: Policy issuance and insured-requested cancellations are timely. (2024 NAIC Market Regulation Handbook Chapter 20, § E Standard 2)

- Was the policy issued timely?
- Were cancellations requested by the insured processed timely and without excessive paperwork required?

E3. POLICYHOLDER SERVICE: Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations. (2024 NAIC Market Regulation Handbook Chapter 20, § E Standard 7)

- Are unearned premiums calculated correctly?

F1. UNDERWRITING AND RATING: The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity's rating plan. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 1)

- Was the premium calculated correctly? [W. Va. Code §33-11-4(7)(c)]
- Were the Company's own underwriting guidelines followed for proper rating?
Note: Farmers' Mutual Fire Insurance Companies are not required to file rates with the Commissioner's Office; however, rates should not be unfairly discriminatory. Deviations from established rating plans could indicate a company is engaged in unfair competitive practices.

F2. UNDERWRITING AND RATING: The regulated entity does not permit illegal rebating, commission-cutting, or inducements. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 3)

- Was there any form of unfair discrimination found in the form of illegal rebating, commission-cutting, or other illegal inducements? [W. Va. Code §33-11-4(8)]

F3. UNDERWRITING AND RATING: The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations, and regulated entity guidelines in the selection of risks. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 4)

- Are the Company's underwriting guidelines unfairly discriminatory in nature? Or do they conform to applicable statutes, rules and regulations? [W. Va. Code §33-11-4(7)(c)]
- Is the Company following its underwriting guidelines to ensure compliance regarding unfair discrimination?
- Any inconsistent underwriting practices?

F4. UNDERWRITING AND RATING: All forms, including policies, contracts, riders, amendments, endorsement forms and certificates are filed with the insurance department, if applicable. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 5)

- Have all the forms and endorsements been filed with the Commissioner? [W. Va. Code §33-22-7(a)]

F5. UNDERWRITING AND RATING: Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 6) *Policy issuance reviewed under Standard E2.*

- Are renewals and endorsements issued in the appropriate time frame, following the Company's procedures?
Note: Farmers' Mutual Fire Insurance Companies are not subject to W.Va. Code §33-17A-4 (c); however, they are subject to W.Va. Code §33-11-4. Consistently following company procedures is the fundamental technique used to avoid unfair trade practices.

F6. UNDERWRITING AND RATING: Rejections and declinations are not unfairly discriminatory. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 7)

- Does the Company provide valid reasons for rejection/declinations when required?
- Does the Company unfairly discriminate when rejecting or declining policies?
Note: Farm Mutual Fire Insurance Companies are not subject to W.Va. Code §33-17A-4 or W.Va. Code §33-17A-6; however, they are subject to W.Va. Code §33-11-4(7)(c).

F7. UNDERWRITING AND RATING: Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity's guidelines. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 8)

- Were company-initiated cancellations and non-renewals within applicable statutes and policy provisions? [W.Va. Code §33-22-15]
- Was written cancellation notice given to the policyholder? [W.Va. Code §33-22-14]

G1. CLAIMS: Initial contact by the regulated entity with the claimant is within the required time frame. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 1)

- Was the claimant contacted within 15 working days (or mandated emergency order timeframe) from the date of the loss notice required by W.Va. Code § 33-11-4(9)(b) and W. Va. Code R. § 114-14-5.1?

G2. CLAIMS: Timely investigations are conducted. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 2)

- Did the investigation commence within fifteen (15) working days of any claim filed as required by W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.2.a?
- Did the investigation continue more than 30 calendar days? If so, was a notice of necessary delay sent within 15 working days after the 30 calendar days AND if the investigation continued, were subsequent notices of necessary delay sent with 45 calendar days as required by W. Va. Code R. § 114-14-6.7?

G3. CLAIMS: Claims are resolved in a timely manner. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 3)

- Did the Company affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed as required by W. Va. Code § 33-11-4(9)(e)?
- Did the Company deny the claim or make an offer within ten (10) working days of completing its investigation as required by W. Va. Code R. § 114-14-6.3?
- Did the Company pay out amount agreed upon within (15) working days as required by W. Va. Code R. § 114-14-6.11?

G4. CLAIMS: The regulated entity responds to claims correspondence in a timely manner. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 4)

- Did the Company reply to pertinent communications from a claimant when a response is reasonably expected within fifteen (15) working days per W. Va. Code § 33-11-4(9)(b) and W. Va. Code R. § 114-14-5.3?

G5. CLAIMS: Claim files are adequately documented. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 5)

- Do the files contain all notes and work papers pertaining to the claim in such detail that pertinent events and the dates of such events can be reconstructed? [W. Va. Code § 33-11-4(9) et. seq, W. Va. Code R. §§ 114-14-3 and 114-15-4.4]

G6. CLAIMS: Claims are properly handled in accordance with policy provisions and applicable statutes (including HIPPA), rules and regulations. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 6)

- Is the Company following the standards for prompt investigations as stated in W. Va. Code R. §114-14-6.1?
- Did the Company attempt in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear as required by W. Va. Code § 33-11-4(9)(f) and W. Va. Code R. §§ 114-14-6.4 and 6.10?
- Was coverage checked for proper application of deductible or appropriate exclusionary language as required by W. Va. Code § 33-11-4(9)(a)?
- When applicable is the claimant, who is neither an attorney or represented by an attorney, given written notice of that statute of limitation as required by W. Va. Code R. § 114-14-6.12?
- Does the Company ensure where liability and damages are reasonably clear, that no person recommends that third-party claimants make claim under their own policies solely to avoid paying claims under an insurer's insurance policy or insurance contract as required by W. Va. Code § 33-11-4(9)(m) and W. Va. Code R. § 114-14-6.13?

G7. CLAIMS: Denied and closed without payment claims are handled in accordance with policy provisions and state law. (2024 NAIC Market Regulation Handbook Chapter 20, § G Standard 9)

- Was a prompt, reasonable and objective investigation conducted prior to refusal of payment? [W. Va. Code §33-11-4(9)(d)]
- Is the denial based upon specific policy provisions or exclusions?
- Is the claimant provided with a reasonable basis for the denial when required by statute or regulation? [W. Va. Code §33-11-4(9)(n) and W. Va. Code R. §114-14-6.5]
- Is the claimant given the option of contacting the Commissioner's Office and provided with its mailing address, telephone number, and website address? [W. Va. Code R. §114-14-6.17]
- Is the claimant, who is neither an attorney or represented by an attorney, given written notice of the statute of limitation? [W. Va. Code R. §114-14-6.12]

COMPLIANCE TABLE

<u>Review Section</u>	<u># Pass</u>	<u># Fail</u>	<u>Minimum Standard Compliance %</u>	<u>Compliance Result %</u>	<u>Examination Result</u>		
					<u>Compliant</u>	<u>Predominantly Compliant</u>	<u>Non-Compliant</u>
A1	Pass	N/A	N/A	N/A		X	
A2	Pass	N/A	N/A	N/A	X		
B1	Pass	N/A	N/A	N/A	X		
B2	Pass	N/A	N/A	N/A	X		
B3	2	0	90	100	X		
D1	Pass	N/A	N/A	N/A	X		
D2	25	0	90	100	X		
D3	20	0	90	100	X		
D4	25	0	90	100	X		
E1	24	0	90	100	X		
E2	30	0	90	100	X		
E3	14	0	90	100	X		
F1	24	1	90	96		X	
F2	25	0	90	100	X		
F3	25	0	90	100	X		
F4	Pass	0	90	100	X		
F5	22	1	90	95		X	
F6	N/A	N/A	N/A	N/A	N/A		
F7	21	0	90	100	X		
G1	50	0	93	100	X		
G2	50	0	93	100	X		
G3	42	0	93	100	X		
G4	12	0	93	100	X		
G5	50	0	93	100	X		
G6	25	0	93	100	X		
G7	18	1	93	94		X	

OBSERVATIONS

A1. OPERATIONS AND MANAGEMENT – The Examiner was unable to locate a copy of the 2024 renewal declarations in one (1) policy folder. When asked about the missing renewal in a request for information (RFI) the Company responded that the system suppressed the 2024 renewal due to being in non-pay cancellation status. System suppression should have triggered a manual review to generate the declaration pages; however, the missing declarations went undetected and never processed. *Examiner's note: the 2024 Renewal invoice did generate properly, and the policy remained in effect.* [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4]

A2. OPERATIONS AND MANAGEMENT – The Company's representatives were cooperative and responded to all requests in a timely manner. [W. Va. Code §33-2-9 and W. Va. Code R. § 114-15-4.9(a)]

B1. COMPLAINT HANDLING - The Company is keeping a complaint log in accordance with the requirements of the W. Va. Code §33-11-4(10) and W. Va. Code R. §114-15-4.6, and the log reconciled with the WVOIC records.

B2. COMPLAINT HANDLING - Per the Preliminary Request Packet (PRP) response, the Company has complaint handling procedures in place which includes maintaining a log of all complaints received, documenting the complaints in the Company's BriteCore System, and keeping a hard copy in a physical file. [W. Va. Code §33-11-4(10)]

B3. COMPLAINT HANDLING – Both complaints reviewed were answered within 15 working days, responses were dated within three (3) business days of receipt. [W. Va. Code R. §114-14-5.2]

D1. PRODUCER LICENSING – Company appointment records reconciled with WVOIC records.

D2. PRODUCER LICENSING – Producers were properly appointed by the Company when new business policies were submitted. [W. Va. Code §33-12-18(b)]

D3. PRODUCER LICENSING – Five (5) of the twenty-five (25) producer files reviewed were marked as N/A, notification was not required due to the fact the producer's license expired. When required, notification of termination was sent to both the WVOIC and the terminated producer. During the review, it appeared one (1) producer was notified four (4) weeks after the WVOIC. A RFI was sent concerning the delay. The Company responded that the original termination notification sent to the WVOIC was lost in the mail and an employee with the WVOIC was able to assist in backdating the termination request. The producer's notification was sent out after verification was received from the WVOIC that the termination had been processed. In the future, all termination requests and notices will be sent simultaneously to the WVOIC and the affected producer. [W. Va. Code §33-12-25 et seq.]

D4. PRODUCER LICENSING – Terminated producer records reviewed have adequate documentation showing the reason for termination. None were terminated for cause. [W. Va. Code §33-12-25(a) and (b)]

E1. POLICYHOLDER SERVICE – Policies reviewed had premium/billing notices sent out via the Company's procedures.

E2. POLICYHOLDER SERVICE – Policies reviewed were issued and canceled timely. Most new business policies were issued within a week of submission, and the majority of the Insured requested cancellations were processed within two (2) business days of receipt of the notice to cancel.

E3. POLICYHOLDER SERVICE – When applicable, unearned premiums were calculated correctly and returned timely to the appropriate party.

F1. UNDERWRITING AND RATING – The Examiner observed one (1) policy that was undercharged four dollars (\$4.00) for an increase in liability coverage. When asked about the undercharge in a RFI, the Company responded that this was a rating table error and would be corrected moving forward in their system. *Note: Farmers’ Mutual Fire Insurance Companies are not required to file rates with the Commissioner’s Office; however, rates should not be unfairly discriminatory. Deviations from established rating plans could indicate a company is engaged in unfair competitive practices.* The Examiner **did not** find any evidence that suggested the undercharge in premium was intentional, discriminatory in nature, or harmed the consumer. Additional rating observation, the Company provided an Addendum to the Underwriting Manual for WV Coal Mine Subsidence Coverage, new rates went into effect 08/01/2021. Mine Subsidence rates review by the Examiner were charged correctly. [W. Va. Code §33-11-4(7)(c)]

F2. UNDERWRITING AND RATING – While reviewing new business files, the Examiner found no proof of illegal rebating, inducements, or unfair discrimination. [W. Va. Code §33-11-4(8)]

F3. UNDERWRITING AND RATING – The Examiner found no evidence of unfairly discriminatory underwriting practices during new business policy review. [W. Va. Code §33-11-4(7)(C)]

F4. UNDERWRITING AND RATING – Only one (1) endorsement was filed and approved by the WVOIC during the review period. The Examiner checked for usage of the form during the new business and renewal review. No issues found. [W. Va. Code §33-22-7(a)]

F5. UNDERWRITING AND RATING – Twenty-four (24) policy renewals were reviewed during the examination. One (1) was marked N/A due to the 2024 declaration pages not generating causing the Examiner to be unable to determine compliance, see **A1** for additional information. The Examiner also observed one (1) policy renewal sent out after the renewal date. When asked in a RFI why the 2024 renewal declarations were not issued thirty (30) days prior to the renewal per company procedure, the Company responded that the system suppressed the renewal due to the policy being in a non-pay cancellation pending status. The agent identified the oversight and contacted the Company, at which time the declarations were manually generated and mailed out after the renewal date. *Note: Farmers’ Mutual Fire Insurance Companies are not subject to W.Va. Code §33-17A-4 (c); however, they are subject to W.Va. Code §33-11-4. Consistently following company procedures is the fundamental technique used to avoid unfair trade practices.* The Examiner **did not** find any evidence of unfair discrimination in the handling of the policy renewals reviewed.

F6. UNDERWRITING AND RATING – The element of review for rejected and declined policies was N/A, no policies were rejected or declined during the examination period. [W.Va. Code §33-11-4(7)(c)]

F7. UNDERWRITING AND RATING – Only twenty-one (21) policy cancellations reviewed required the Company to send out prior notice of cancellation. The remaining four (4) policy cancellations were requested by the insured and prior notice is not required. All notices reviewed included a valid reason for cancellation. [W.Va. Code §33-22-15]

G1. CLAIMS – All claim files reviewed indicated the claimant was contacted within fifteen (15) working days (or mandated emergency order timeframe) from the date of the loss notice. [W.Va. Code § 33-11-4(9)(b) and W. Va. Code R. § 114-14-5.1]

G2. CLAIMS – The Company was found to be compliant with timely investigations. Most investigations began the same day the Company was notified of loss and, when required, delay letters were sent out every 30-40 days until a settlement was reached. [W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.2.a]

G3. CLAIMS – The Company affirmed or denied coverage of claims within a reasonable time after proof of loss was received, denied the claims or made a written offer within ten (10) working days of completed investigation, and made timely payments on amounts agreed upon. [W. Va. Code § 33-11-4(9)(e) and W. Va. Code R. §§ 114-14-6.3 and 114-14-6.11]

G4. CLAIMS- When applicable, pertinent communications were responded to within fifteen (15) working days. [W. Va. Code § 33-11-4(9)(b) and W. Va. Code R. §114-14-5.3]

G5. CLAIMS –All claim files reviewed were adequately documented and consisted of notes and work papers pertaining to the claim in such detail that pertinent events and dates can be reconstructed. [W. Va. Code §33-11-4(9) et. seq, W. Va. Code R. §§ 114-14-3 and 114-15-4.4]

G6. CLAIMS - The Company complied with policy provisions, applicable statutes, rules, and regulations under this standard. Investigations were prompt and thorough and settlements offered were fair and within policy limits and policy provisions. [W. Va. Code § 33-11-4(9) et seq. and W. Va. Code R. § 114-14-6 et seq.]

G7. CLAIMS – The Company handled the majority of the denied/closed without payment claims reviewed in accordance with policy provisions and state law. Investigations were prompt and objective, denials were based on specific policy provisions or exclusions, claimants were provided with a reasonable basis for denial, and most were given the option of contacting the WVOIC to protest the decision. *Examiner's note: During the review of the paid claims the Examiner observed what appeared to be two (2) partially denied claim settlement notices omitting the claimant's option of contacting the WVOIC. When asked about this in a RFI the Company responded that one (1) letter omitted the information required by W. Va. Code R. §114-14-6.17 and to avoid this oversight in the future the Company is evaluating the implementation of adding the required language to all claim correspondence issued. Regarding the other notice, the Examiner was directed back to the settlement letter dated 03/07/2022 in the claim file. Upon further review, it was determined that the WVOIC contact information was indeed listed at the bottom of the correspondence, right above the footer, in a font that looks to be smaller than the font used in the body of the letter. The Examiner believes the usage of the smaller font caused the WVOIC contact information to be overlooked as it seemed to be part of the footer. Also noted, two (2) denial notices reviewed had the WVOIC contact information printed over the footer information on the Company's letterhead causing it to be difficult to read.*

RECOMMENDATIONS

A1. OPERATIONS AND MANAGEMENT - To ensure compliance with W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4 all company files should be adequate, accessible, consistent, and orderly.

B2. COMPLAINT HANDLING - As a best practice, it is recommended that the Company add processing and response timelines to the Company's complaint handling policy and procedures to help guarantee all complaints are responded to in a timely manner as required by W.Va. Code R. §114-14-5.2.

D3. PRODUCER LICENSING – To ensure compliance with W.Va. Code §33-12-25 et seq. the Company should notify the WVOIC within thirty (30) days following the effective date of the termination and simultaneously notify the terminated producer.


F1. UNDERWRITING AND RATING – It is imperative that the Company calculate premiums according to its underwriting guidelines to help ensure consistent and undiscriminating rating practices. [W. Va. Code §33-11-4(7)(C)]

F5. UNDERWRITING AND RATING – To help safeguard that all renewals are sent out timely, it is recommended that a procedure be implemented specifically for handling policies that are in a non-pay cancellation status when the renewal is scheduled to generate. [W Va. Code §33-11-4(7)]

G7. CLAIMS – All claim denial correspondence shall include the claimant's option of contacting the Commissioner's office and all pertinent contact information as required by W. Va. Code R. §114-14-6.17; and although not technically a violation, it is recommended that the Company consistently use the same size font throughout the claim notice and ensure the WVOIC contact information does not print overtop of the footer on the Company's letterhead.

EXAMINER'S SIGNATURE AND ACKNOWLEDGEMENT

The Examiner would like to acknowledge the cooperation and assistance extended by the Company during the examination.



Jean E. Tincher, CPCU, AIE, APIR, MCM
Examiner-in-Charge

EXAMINER'S AFFIDAVIT

State of West Virginia

County of Kanawha

**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES
USED IN AN EXAMINATION**

I, Jean E. Tincher, being duly sworn, states as follows:

1. I have the authority to represent West Virginia in the examination of Safe Insurance Company. I have reviewed the examination work papers and examination report, and the examination of Safe Insurance Company was performed in a manner consistent with the standards and procedures required by West Virginia.

The affiant says nothing further.



Jean E. Tincher, CPCU, AIE, APIR, MCM
Examiner-in-Charge

Subscribed and sworn before me by Jean E. Tincher on this 17th day of October 2025.



Notary Public

My commission expires: May 24, 2026 (date).

