

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

In the Matter of:

INLAND MUTUAL INSURANCE COMPANY

Administrative Proceeding No. 25-IC-179310

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 Inland Mutual Insurance Company (hereinafter, “Inland”) 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 Inland and Inland 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 Inland to manage its operations for each of the areas examined, including whether and how Inland complies with West Virginia's statutory and regulatory law.

5. The exam discovered the company was found to be compliant with twenty (20) standards, predominantly compliant with two (2) standards, and non-compliant with one (1) standard.

6. The Commissioner reviewed the *Examination Report* and considered Inland 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 Inland's continued compliance with West Virginia law.


4. As detailed in the *Examination Report*, Inland was compliant or predominantly compliant with twenty-two (22) standards reviewed. The Commissioner finds that the small population of denied claims available for review contributed to the one finding of non-compliance.

ORDER

Pursuant to W.Va. Code §33-2-9(j)(3)(A), following the review of the *Examination Report*, the examination work papers, and Inland'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. Inland 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



Inland Mutual Insurance Company

1017 Sixth Ave.
Huntington, WV 25701

NAIC COMPANY CODE 14281
Examination Number 25-IC-179310

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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:

Inland Mutual Insurance Company
1017 Sixth Ave.
Huntington, WV 25701

Hereinafter referred to as "IMIC" 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 applications from two (2) producers who were not properly appointed in violation of W. Va. Code §33-12-3(d) and W. Va. Code §33-12-18.
- **Standard F5:** The Company was using a disapproved version of one (1) policy form in violation of W. Va. Code §33-6-8.

During the current review, the Examiner observed where the Company addressed and corrected the use of the disapproved version of the policy form mentioned in Standard F5. However, the Company was still predominantly compliant in Standard D2.

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 data review commenced May 15, 2025, followed by the file review that began on June 09, 2025 and concluded on September 22, 2025. The entirety of the examination was performed remotely, with the Company providing the Examiner access to its BriteCore system which houses company records, files, notes, and documentation. A total of twenty-six (26) standards were reviewed; of these standards, the Company was found compliant in twenty (20), predominantly compliant in two (2) (D2 and F1), non-complaint in one (1) (G7), and three (3) were marked N/A (B3, F4, and F6).

The market conduct examination revealed the following non-compliant violation:

- **G7. CLAIMS** – One (1) settlement letter omitted the required information for contacting the OIC after denying an element of the claim. To avoid this in the future, the Company is evaluating the implementation of adding the mandatory language to all claim's correspondence issued to help ensure compliance with W. Va. Code R. §114-14-6.17. It is the Examiner's opinion that the small population of denied claims available for review contributed to the Company's non-compliance with this standard.

Two (2) predominantly compliant standards were also identified:

- **D2. PRODUCER LICENSING** – One (1) producer was not properly appointed by the Company within fifteen (15) days of the policy application submission. [W. Va. Code §33-12-18(b)]
- **F1. UNDERWRITING AND RATING** – the Examiner observed a four-dollar (\$4.00) charge applied to a policy for a general endorsement that should not have been charged. When made aware of the error, the Company promptly returned monies due to the affected policyholders including interest. [W. Va. Code § 33-20-4]

The Company should take immediate corrective action to demonstrate its ability and intention to conduct business according to 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

IMIC was formed pursuant to the laws of West Virginia on July 29, 1936, as a mutual insurance company and on July 16, 1937, began writing automobile insurance becoming the 1st non-Farm Mutual property/casualty insurer domiciled in WV. Today the Company's certificate of authority is for fire, marine, casualty, and surety insurance, as defined by Chapter 33 of the West Virginia Code, and is presently licensed to transact business in four (4) states (WV, OH, VA, KY). In 1979, IMIC established a working relationship with Safe Insurance Company and at present the companies share expenses and employees. The Company's main focus continues to be serving consumer insurance needs particularly in the underserved markets and tough-to-place risks.

According to the National Association of Insurance Commissioners (NAIC) 2024 Market Analysis – Market Share Report, the Company had \$54,396 in written premiums and a Market Share of 0.009% in the State of West Virginia.

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)

- Does the Company document the 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 §§33-20-3 and 33-20-4]
- Were the Company's own underwriting guidelines followed for proper rating?

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 §33-6-8]

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 issued in the appropriate time frame, at least 30 days prior to the renewal? [W.Va. Code §33-17A-4 (c)]

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? [W.Va. Code §33-17A-4]
- Does the Company unfairly discriminate when rejecting or declining policies? [W.Va. Code §33-17A-6]

F7. UNDERWRITING AND RATING: Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and company 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 §33-17A-4 and W.Va. Code §33-17A-5]
- Does the notice contain the specific reason for Cancellation/ non-renewal? [W.Va. Code §33-17A-4]
- Was the policyholder given the proper advance notice for company-initiated cancellation/non-renewal? [W.Va. Code §33-17A-4]

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 the 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 file a 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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
D1	Pass	N/A	N/A	N/A	X		
D2	17	1	90	94		X	
D3	3	0	90	100	X		
D4	5	0	90	100	X		
E1	25	0	90	100	X		
E2	26	0	90	100	X		
E3	15	0	90	100	X		
F1	Pass	N/A	N/A	N/A		X	
F2	18	0	90	100	X		
F3	18	0	90	100	X		
F4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
F5	25	0	90	100	X		
F6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
F7	17	0	93	100	X		
G1	34	0	93	100	X		
G2	34	0	93	100	X		
G3	28	0	93	100	X		
G4	8	0	93	100	X		
G5	34	0	93	100	X		
G6	22	0	93	100	X		
G7	7	1	93	87			X

OBSERVATIONS

A1. OPERATIONS AND MANAGEMENT – All records reviewed were adequate, accessible, consistent, orderly, and complied with state record retention requirements. [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 did not receive any complaints during the review period; however, it does keep a complaint log in accordance with W. Va. Code §33-11-4(10) and W. Va. Code R. §114-15-4.6.

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 its BriteCore System, and keeping a hard copy in a physical file. [W. Va. Code §33-11-4(10)]

B3. COMPLAINT HANDLING – There were no complaints received during the examination period, this element of review was N/A.

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

D2. PRODUCER LICENSING – All eighteen (18) producers reviewed were appropriately licensed to solicit business when the policy application was signed; however, one (1) producer was not properly appointed by the Company within fifteen (15) days of the policy application submission. [W. Va. Code §33-12-18(b)]

D3. PRODUCER LICENSING – Only three (3) of the five (5) records reviewed required notification of termination be sent to both the WVOIC and the terminated producer. [W. Va. Code §33-12-25 et seq.]

D4. PRODUCER LICENSING – The five (5) terminated producer records reviewed had adequate documentation showing the reason for termination. None were terminated for cause. [W. Va. Code §33-12-25(a) and (b)]

E1. POLICYHOLDER SERVICE – The twenty-five (25) 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 the cancellation notice being received.

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

F1. UNDERWRITING AND RATING – No new rate filings were made during the examination period; however, during the new business file review, the Examiner observed a four-dollar (\$4.00) charge applied to a policy for a general endorsement. When asked about the charge the Company responded, *use of the*

endorsement is rare.... the \$4.00 was programmed and applied in error..... monies will be returned to affected policyholders and the Britecore system will be corrected to no longer add the fee when the endorsement is applied. When made aware of the error, the Company promptly returned three hundred sixty-seven dollars and sixty-six cents (\$367.66) to the fourteen (14) policyholders that were affected. Amounts returned included interest. [W. Va. Code § 33-20-4]

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

F3. UNDERWRITING AND RATING - 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 – No forms or endorsements were filed with the WVOIC during the review period, this element of review was marked N/A. *Note: the previous examination found the Company was using a disapproved version of a policy form. The appropriate version of the policy form was sent to all affected policyholders along with a letter explaining the error. The Examiner observed the approved version of the policy form in use throughout the new business policy review. It appears this previous issue has been resolved.* [W. Va. Code §33-6-8]

F5. UNDERWRITING AND RATING – The renewals reviewed were sent out timely and accurately per W.Va. Code §33-17A-4 (c) and the Company’s procedures.

F6. UNDERWRITING AND RATING –The element of review for rejected and declined policies was N/A, the Examiner observed no policies rejected or declined during the examination period. [W.Va. Code §§33-17A-4 and 33-17A-6]

F7. UNDERWRITING AND RATING – Only seventeen (17) policy cancellations reviewed required the Company to send out prior notice of cancellation. The remaining eight (8) policy cancellations were requested by the insured; prior notice is not required. All notices reviewed included a valid reason for cancellation. [W.Va. Code §§33-17A-4 and 33-17A-5]

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. [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 – All twenty-two (22) paid claim files reviewed complied with policy provisions, applicable statutes, rules, and regulations under this standard. Investigations were prompt and thorough, 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 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: two (2) paid claims reviewed had some element of the claim denied. One (1) settlement letter gave the insured the option to contact the WVOIC as required by W. Va. Code R. §114-14-6.17, the other one (1) omitted the required information. To avoid this in the future the Company is evaluating the implementation of adding the mandatory language to all claims correspondence issued. This issue was not found during the previous examination, causing the Examiner to believe this error was a simple oversight and not a common business practice. It is also the Examiner's opinion that the small population of denied claims available for review contributed to the Company's non-compliance with this standard. The entire population of six (6) denied and two (2) partially denied claims were reviewed.*

RECOMMENDATIONS

B2. COMPLAINT HANDLING - As a best practice, it is recommended that the Company add processing and response timelines to its 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.


D2. PRODUCER LICENSING – The Company should ensure producers are properly appointed within (15) calendar days from the date the agency contract is executed, or the first insurance application is submitted as required by W. Va. Code §33-12-18(b).

F1. UNDERWRITING AND RATING – It is imperative that the Company calculate premiums according to filed and approved rate filings as required by W. Va. Code §33-20-4 et seq.

G7. CLAIMS – The Company must ensure all denied claim notices include the required information for 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.

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 Inland Mutual Insurance Company. I have reviewed the examination work papers and examination report, and the examination of Inland Mutual 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).

