

**BEFORE JAMES A. DODRILL  
INSURANCE COMMISSIONER OF THE  
STATE OF WEST VIRGINIA**

**IN RE:  
FARMERS & MECHANICS MUTUAL INSURANCE  
COMPANY OF WEST VIRGINIA**

**ADMINISTRATIVE PROCEEDING  
19-MAP-02002**

**AGREED ORDER ADOPTING REPORT OF  
MARKET CONDUCT EXAMINATION**

NOW COMES, James A. Dodrill, Insurance Commissioner of the State of West Virginia, and issues this Order which adopts the Report of Market Conduct Examination for the examination of Farmers & Mechanics Mutual Insurance Company of West Virginia for the examination period ending June 30, 2018 based upon the following findings, to wit:

**PARTIES**

1. James A. Dodrill is the Insurance Commissioner of the State of West Virginia (hereinafter the “Insurance Commissioner”) and is charged with the duty of administering and enforcing, among other duties, the provisions of Chapter 33 of the West Virginia Code.
2. Farmers & Mechanics Mutual Insurance Company of West Virginia (hereinafter, “Farmers” or “Insurer”) operates under the provisions of Chapter 33, of the West Virginia Code and is domiciled in West Virginia.
3. Insurer is licensed in the State of West Virginia to transact business as a farmers’ mutual fire insurance company under the provisions of Article 22 of the West Virginia Code.

4. This Market Conduct Examination was instituted pursuant to W.Va. Code §33-2-9 which requires the Insurance Commissioner to examine each West Virginia domestic insurance company every five (5) years. The conclusions and findings of this examination are public record.

#### FINDINGS OF FACT

1. The Market Conduct Examination was a comprehensive examination focusing on the methods used by the company to manage its operations. The examination was conducted in accordance with W. Va. Code §33-2-9(c) by examiners duly appointed by the West Virginia Insurance Commissioner.

2. The examination began on January 14, 2019 and concluded on March 26, 2019. A total of thirty-one (31) standards were tested during this examination. Of these thirty-one (31), the company was found to be compliant with all standards.

3. There were no violations found in the exam.

4. On or about April 3, 2019, the examiner filed with the Insurance Commissioner, pursuant to W. Va. Code §33-2-9, a Report of Market Conduct Examination.

5. A true copy of the Report of Market Conduct Examination was sent to Farmers for it to review.

6. Farmers was notified that, pursuant to W. Va. Code §33-2-9(j)(2), it had thirty (30) days after receipt of the Report of Market Conduct Examination to file a submission or objection with the Insurance Commissioner.

7. Insurer has filed no objections and has elected to enter into this Agreed Order.

8. Insurer waives notice of administrative hearing, any and all rights to an administrative hearing, and to judicial review of this matter.

## CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction over the subject matter and the parties to this proceeding.
2. This proceeding is pursuant to and in accordance with W. Va. Code §33-2-9.
3. The Insurance Commissioner is charged with the responsibility of verifying continued compliance with West Virginia Code and the West Virginia Code of State Rules by Farmers as well as all other provisions of regulation that the company is subjected to by virtue of its Certificate of Authority to operate in the State of West Virginia.
4. Farmers did not fail any standards during the examination which is evident from the Market Conduct Examination Report.

## ORDER

Pursuant to W. Va. Code §33-2-9(j)(3)(A), following the review of the Report of Market Conduct Examination, the examination work papers, and the response of Farmers thereto, if any, the Insurance Commissioner and Farmers have agreed to enter into this Agreed Order adopting the Report of Market Conduct Examination. It is accordingly **ORDERED** as follows:

(A) The Report of Market Conduct Examination of Farmers & Mechanics Mutual Insurance Company of West Virginia for the period ending June 30, 2018, is hereby **ADOPTED** and **APPROVED** by the Insurance Commissioner;

(B) It is **ORDERED** that within thirty (30) days of the next regularly scheduled meeting of its Board of Directors, Farmers shall file with the West Virginia Insurance Commissioner, in accordance with W. Va. Code §33-2-9(j)(4), affidavits executed by each of its directors stating under oath that they have received a copy of the adopted Report of Market Conduct Examination and a copy of this Order.

(C) It is **ORDERED** that Farmers shall continue to ensure compliance with the West Virginia Code and the Code of State Rules.

(D) It is **ORDERED** that all such statutory notices, administrative hearings and appellate rights are herein waived concerning this Report of Market Conduct Examination and Agreed Order. All such rights are preserved by the Parties regarding implementation or further action taken on such Order by the Commissioner against Farmers.

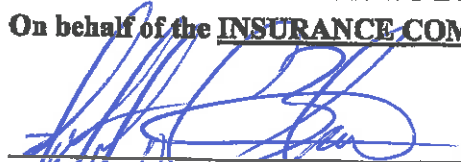
Entered this 17<sup>th</sup> day of April, 2019.



James A. Dodrill  
Insurance Commissioner  
State of West Virginia

**REVIEWED AND AGREED TO BY:**

On behalf of the INSURANCE COMMISSIONER:



Jeffrey C. Black, Attorney Supervisor  
Regulatory Compliance and Enforcement

Dated: 4/15/19

**On Behalf of Farmers & Mechanics Mutual Insurance Company of West Virginia**

By: FOSTER L. SIRBAUGH, JR

Print Name

Its: PRESIDENT / CEO

Signature: Foster L. Sirbaugh

Date: April 15, 2019

# Report of Market Conduct Examination

As of June 30, 2018



**Farmers & Mechanics Mutual Insurance Company of West Virginia**  
25 Administrative Drive  
Martinsburg, WV 25404

**NAIC COMPANY CODE: 36315**  
**Examination Number: 18-MC-STAT-02002**

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**April 3, 2019**

**The Honorable James A. Dodrill,  
West Virginia Insurance Commissioner  
900 Pennsylvania Avenue  
Charleston, West Virginia 25302**

**Dear Commissioner Dodrill:**

**Pursuant to your instructions and in accordance with W.Va. Code § 33-2-9, an examination has been made as of June 30, 2018 of the business affairs of**

**Farmers & Mechanics Mutual Insurance Company of West Virginia  
25 Administrative Drive  
Martinsburg, WV 25404**

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

## **COMPLIANCE WITH PREVIOUS EXAMINATION RECOMMENDATIONS**

The West Virginia Offices of the Insurance Commissioner (WVOIC) previously conducted a comprehensive market conduct examination of the Company as of June 30, 2008. In addition, a targeted examination of the Company was conducted as of June 30, 2011 to determine compliance with West Virginia Insurance laws relating to treatment of policyholders and claimants. Areas reviewed under the June 30, 2011 targeted examination were: Complaint Handling, Claims Practices & Underwriting.

The June 30, 2008 examination findings included:

- **Standard A 4: Operations & Management** - The Company did not have a formal disaster recovery plan detailing procedure for continuing operations in the event a disaster.
- **Standard B 2: Complaint Handling** - The company reported that it had no complaints that were received directly from consumers; furthermore, it did not appear that the company had a procedure to handle those complaints.

The June 30, 2011 examination findings included:

- **Standard B 4: Complaint Handling** - The Company should comply with the appropriate time frames for responding to WVOIC complaints.
- **Standard G 1: Claims Practices** - The Company should contact claimants as required by W. Va. Code R. § 114-14-5.1.
- **Standard G 2: Claims Practices** - The Company should send delay letters as required by W. Va. Code R. § 114-14-6.7.
- **Standard G 3: Claims Practices** - The Company should send written denial letters or written offer, subject to policy, within ten (10) working days of completing its investigation.
- **Standard G 9: Claims Practices** - The Company shall include the appropriate Commissioner's contact information in the denial letters.

All previous recommendations have been addressed by the Company and no subsequent failure of the above standards were found.

## **FOREWORD**

This is a report by test of company compliance with selected Standards contained in the National Association of Insurance Commissioners' (NAIC) *2017 Market Regulation Handbook* ("Handbook") and Standards approved by the West Virginia Offices of the Insurance Commissioner ("WVOIC") which are based on applicable West Virginia statutes and administrative rules, as referenced herein. Testing is based on guidelines contained in the Handbook. All tests applied are included in this report.



**“Company” as used herein refers to Farmers & Mechanics Mutual Insurance Company of West Virginia. “WVOIC” as used herein refers to the West Virginia Offices of the Insurance Commissioner. “W.Va. Code R.” as used herein refers to the West Virginia Code of State Rules. “W.Va. Code” as used herein refers to the West Virginia Code Annotated.**

## **EXECUTIVE SUMMARY**

**This is the report of the Market Conduct Examination of Farmers & Mechanics Mutual Insurance Company of West Virginia conducted by the state of West Virginia, under the authorization of W.Va. Code § 33-2-9. The period covered by the examination was January 1, 2016 through June 30, 2018.**

**With the exception of the standards within the report specific to this examination, the market conduct examiners did not duplicate a review of Company Operations & Management and relied on the results obtained under a recent examination conducted by the WVOIC Financial Conditions Unit (Administrative Proceeding Order 18-AP-FINCON-02010 dated December 4, 2018), which concluded there were no violations.**

**The examination work began January 14, 2019 and concluded on March 26, 2019. The entirety of the examination was done remotely, with the Company having provided electronic access to both their ImageRight & Diamond systems. A total of thirty-one (31) standards were reviewed during this examination. Of these thirty-one (31) standards, the Company was compliant with all standards.**

## **SCOPE OF EXAMINATION**

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

- Complaint Handling**
- Marketing and Sales**
- Producer Licensing**
- Policyholder Service**
- Underwriting and Rating**
- Claims**

**Each business area has standards that the examination measured. Some standards have specific statutory guidelines, others have specific company guidelines, and yet others have contractual guidelines.**

**The focus of the examination was on the methods used by the Company to manage its operations for each of the business areas subject to this examination. This included an analysis of how the Company communicates its instructions and intentions throughout its operations, how it measures and monitors the results of those communications, and how it reacts to and modifies its communications based on the result findings of the measurement and monitoring activities. The examination also determined whether this process is dynamic and results in enhanced compliance activities. Because of the predictive value of this form of analysis, focus**

was then made on those areas in which the process used by management does not appear to be achieving appropriate levels of statutory and regulatory compliance. Most areas were tested to verify the Company is in compliance with West Virginia statutes and rules. The examiners 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 West Virginia Offices of the Insurance Commissioner or its' designee.

## **HISTORY AND PROFILE**

Farmers & Mechanics Mutual Insurance Company of West Virginia (FMM) was incorporated in December 1877 and commenced business in March 1878. The Company operates under the provisions of Chapter 33, Article 22 of the West Virginia Code as a farmers' mutual fire insurance company and is currently located in Berkeley County at 25 Administrative Drive in Martinsburg, West Virginia.

The Company writes only in the state of West Virginia. Lines of business written include Homeowners, Mobile Homeowners, Farm Owners, Farm Fire, Dwelling Fire, Business Owners, Commercial Multi-Peril, and Commercial Fire.

According to the NAIC 2018 Market Analysis - Market Share Report, the Company had a market share of 2.912% and \$13,308,368 in written premium for the homeowners line of business in West Virginia.

## **METHODOLOGY**

The examination was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners ("NAIC") and West Virginia's applicable statutes and regulations. The examiners conducted file reviews and interviews of company management. This examination report is a report by test, rather than a report by exception, and all standards tested are described and the results indicated.

Tests designed to measure the level of compliance with West Virginia's statutes, rules and regulations were applied to the files. All tests are described and the results displayed in this report.

In the results tables a "pass" response indicated compliance and a "fail" response indicates a failure to comply. The results of each test applied to a sample are reported separately. The examiners used the NAIC standards of 7% error ratio on claims tests (93% compliance rate) and 10% error ratio on all other tests (90% compliance rate) 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, all tests were conducted via random sample taken from a given population.

Initial sample sizes were based on the total population, utilizing the Acceptance Samples Table (AST) found in the NAIC *Market Regulation Handbook*, Chapter 14-Sampling. In some cases, the

total sample size was reviewed. In other instances, when review reached a specific number of files with no errors noted, review was terminated as risk of non-compliance was minimal. The actual samples and categories reviewed are reflected in the tables throughout the report.

## **A. COMPANY OPERATIONS/MANAGEMENT**

The evaluation of standards in this business area is based on a review of Company responses to information requests, questions, interviews, and presentations made to the examiner. As noted above in the Executive Summary, this portion of the review is not intended to duplicate the financial examination. The following standards are included due to their specific reference regarding this market regulation examination.

**Standard A1: Records are adequate, accessible, consistent and orderly and comply with state record retention.** (2017 NAIC Market Regulation Handbook Chapter 16, § A Standard 7)

**Test Methodology:**

- Does the Company adhere to the state record retention? [W. Va. Code § 33-2-9 and W. Va. Code R. § 114-15-1 et seq.]

**Examiner Observations:** Files are retained in accordance with state record retention requirements. Policy files contained all pertinent information from which to make an underwriting decision.

**Examiner Recommendations:** None

**Results:** Compliant

**Standard A2: The Company cooperates on a timely basis with examiners performing the examinations.** (2017 NAIC Market Regulation Handbook Chapter 16, § A Standard 9)

**Test Methodology:**

- Did the Company provide records in a timely basis? [W. Va. Code §33-2-9 and W. Va. Code R. § 114-15-4.9(a)]
- Did the Company timely respond to any requests for information per W. Va. Code R. § 114-15-4.9(a)?

**Examiner Observations:** The Company was cooperative and the examination proceeded in a cordial atmosphere. Data provided was responsive and timely.

**Examiner Recommendations:** None

**Results:** Compliant

## B. COMPLAINT HANDLING

Evaluations of the standards in this business area are based on company responses to various information requests and the review of complaint files at the Company. In this business area, "complaints" include "grievances." W.Va. Code § 33-11-4(10) requires the Company to "...maintain a complete record of all the complaints which it has received since the date of its last examination." The statute also requires that, "This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of these complaints and the time it took to process each complaint," the definition of a complaint is, "...any written communication primarily expressing a grievance."

**Standard B1: All complaints are recorded in the required format on the Company complaint register.** (2017 NAIC Market Regulation Handbook Chapter 16, § B Standard 1)

### Test Methodology:

- Is the Company recording all complaints, 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]
- Does the Company retain the complaint records for the lesser of: the current calendar year plus five (5) calendar years; or the closing date of the period of review for the most recent examination. [W. Va. Code R. § 114-15-4.2b]

**Examiner Observations:** The Company maintains an electronic log of complaints in accordance with the requirements of the Insurance Commissioner. The company received twenty-eight (28) complaints from the WVOIC during the examination period. The Company had no internal written consumer complaints during the exam period. The examiners did not observe any communications from policyholders or claimants that could be construed as complaints during the policy or claim file reviews. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

Table B1 Results: Complaints Sample

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Complaints	28	28	0	28	0	90	100

**Standard B2: The Company has adequate complaint handling procedures in place and communicates such procedures to policyholders.** (2017 NAIC Market Regulation Handbook Chapter 16, § B Standard 2)

### Test Methodology:

- Does the Company have complaint procedures in place, and are they sufficient to satisfactorily handle complaints?
- Does the Company have procedures in place to track responses to complaints? [W. Va. Code R. § 114-14-5.2]

**Examiner Observations:** The Company has procedures in place. The process is to begin processing complaints within twenty-four (24) hours and to provide a response within fifteen (15) working days as required.

**Examiner Recommendations:** None

**Results:** Compliant

**Standard B3:** The time frame within which the Company responds to complaints is in accordance with applicable statutes, rules, and regulations. (2017 NAIC Market Regulation Handbook Chapter 16, § B Standard 4)

**Test Methodology:**

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

**Examiner Observations:** The Company is adequately documenting complaints and is responding in a timely manner.

**Examiner Recommendations:** None

**Results:** Compliant

**Table B3 Results: Complaints Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Complaints	28	28	0	28	0	90	100

## C. MARKETING & SALES

The evaluation of standards in this business area is based on a review of company responses to information requests, questions, interviews, and presentations made to the examiner. This portion of the examination is designed to evaluate the representations made by the Company about its products. It is not typically based on sampling techniques, but can be. The areas to be considered in this kind of review include all media, written and verbal advertising and sales material.

**Standard C1:** All advertising and sales materials are in compliance with applicable statutes, rules and regulations. (2017 NAIC Market Regulation Handbook Chapter 16, § C Standard 1)

**Test Methodology:**

- Are all advertising materials in conformity with the Company's policy forms, and in compliance with applicable statutes, rules and regulations? [W. Va. Code § 33-11-3 & 4]
- Does the Company approve producer sales materials and advertising? [W. Va. Code §§ 33-11-4(2) and 5(a)and (b)]

**Examiner Observations:** The advertising materials consisted of producer training manuals, Fall/Winter & Summer email newsletters, local public high school football game programs and banners, a yellow page advertisement and radio broadcast advertisements. The Company maintained a copy of the advertisements.

**Examiner Recommendations:** None

**Results:** Compliant

**Standard C2: The Company's internal producer training materials are in compliance with applicable statutes, rules, and regulations.** (2017 NAIC Market Regulation Handbook Chapter 16, § C Standard 2)

**Test Methodology:**

- Are all producer training materials in compliance with state statutes, rules and regulations?
- Are there any references to employing unfair discriminations tactics or avoiding statutory compliance? [W. Va. Code § 33-11-3 & 4]

**Examiner Observations:** The Company's training manual includes underwriting guidelines and forms lists. The training manual is broken down by lines of business. Producer training is primarily conducted in the field by Company marketing staff where producers undergo hands on training. Once appointed, producer's are given access to the Company system where they can access web-based training videos, quote premiums, enter application data, bind and issue application policy types. Review of the manuals found no references to employing unfair discrimination tactics. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

**Standard C3: Company communications to producers are in compliance with applicable statutes, rules, and regulations.** (2017 NAIC Market Regulation Handbook Chapter 16, § C Standard 3)

**Test Methodology:**

- Is the Company in compliance with the prohibitions on misrepresentations as to representations made by the Company to the producer other than in training mode? [W. Va. Code § 33-11-3 & 4]

**Examiner Observations:** Communications between the Company and its agents are generally through emails and over telephone. The examiners reviewed the written communications, including those found in the policy files, for adherence to both the West Virginia Unfair Trade Practices Act and the West Virginia Unfair Claims Settlement Practices Act. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

#### **D. PRODUCER LICENSING**

The evaluation of standards is based on a review of WVDIC records and company responses to information requests, questions, interviews, and presentations made to the examiners. This portion of the examination is designed to test the Company's compliance with West Virginia producer licensing laws and rules.

**Standard D1: 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.** (2017 NAIC Market Regulation Handbook Chapter 16, § D Standard 2)

**Test Methodology:**

- Are the producers properly licensed and appointed for business solicited in West Virginia? [W. Va. Code § 33-12-18(a)]
- 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 agents? [W. Va. Code § 33-12-18]

**Examiner Observations:** A sample of commercial and personal lines new business policies were reviewed for compliance. Examiners confirmed the writing producer listed on the application was properly licensed and appointed. The Company only gives access to active producers to their systems, therefore any inactive or unappointed producer would not be able to submit applications. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

**Table D1 Results: Producer Licensing Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business	816	86	0	86	0	90	100
Personal Lines New Business	7,655	25	0	25	0	90	100

**Standard D2: Termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the state, if applicable.** (2017 NAIC Market Regulation Handbook Chapter 16, § D Standard 3)

**Test Methodology:**

- 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 as required by W.Va. Code § 33-12-25(a)?

**Examiner Observations:**

The entire population of two hundred nineteen (219) terminated producers was reviewed. The Company produced copies of the termination letters. The Company terminated one (1) producer for cause during the examination period. All termination letters met required time frames and notification requirements.

**Examiner Recommendations: None**

**Results: Compliant**

**Table D2 Results: Termination of Producer Sample**

Type	Population	Sample	Pass	Fail	Standard %	Compliance %
Terminated Producers	219	219	219	0	90	100

**Standard D3: The Company's policy of producer appointments and terminations does not result in unfair discrimination against policyholders.** (2017 NAIC Market Regulation Handbook Chapter 16, § D Standard 4)

**Test Methodology:**

- Does the appointment or termination of producers result in unfair discrimination against policyholders?
- Does the termination leave any territories understaffed?

**Examiner Observations:** The Company's agents can be found throughout the State of West Virginia. The Company products are marketed in under-served areas. No unfair discrimination



against policyholders can be inferred by the Company's producer appointment and termination records.

**Examiner Recommendations:** None

**Results:** Compliant

### E. POLICYHOLDER SERVICE

The evaluation of standards in this business area is based on review of company responses to information requests, questions, interviews, and presentations made to the examiner and file sampling during the examination process. The policyholder service portion of the examination is designed to test a company's compliance with statutes regarding notice/billing, delays/no response, premium refund and coverage questions.

**Standard E1: Policy issuance and insured requested cancellations are timely.** (2017 NAIC Market Regulation Handbook Chapter 16, § E Standard 2)

**Test Methodology:**

- Was the policy issued timely?
- Was the insured requested cancellation timely or was there any excessive paperwork required? [no statutory requirement]

**Examiner Observations:** New business policy file samples of both commercial and personal lines were reviewed to determine the time required by the Company to issue policies. The date the applications were submitted and the date the policies were issued were captured. The Company issued the policies within fifteen (15) days for the entire sample tested. No exceptions were noted.

Examiners separated the population of insured requested cancellations by commercial and personal lines. Sampled policy files were reviewed to determine if the cancellations were timely and did not require excessive paperwork. All policies were cancelled timely.

**Examiner Recommendations:** None

**Results:** Compliant

**Table E1a Results: Policyholder Service Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business	816	85	0	86	0	90	100
Personal Lines New Business	7,655	25	0	25	0	90	100

**Table E1b Results: Policyholder Service Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines Insured Requested Cancellations	596	50	0	50	0	90	100
Personal Lines Insured Requested Cancellations	3,282	50	0	50	0	90	100

**Standard E2: Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations.** (2017 NAIC Market Regulation Handbook Chapter 16, § E Standard 7)

**Test Methodology:**

- Were the unearned premiums calculated correctly?

**Examiner Observations:** The cancelled policy files for commercial and personal lines were reviewed to determine if the Company provided the appropriate refund amount. Company policy for both the insured requested and the Company cancellations is to cancel the policy on a pro-rata basis. The Company refunded the correct premium when applicable and refunds were issued timely. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

**Table E2a Results: Underwriting Unearned Premium Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines Insured Requested Cancellations	596	50	0	50	0	90	100
Personal Lines Insured Requested Cancellations	3,282	50	0	50	0	90	100

**Table E2b Results: Underwriting Unearned Premium Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines Company Cancellations	339	50	0	50	0	90	100
Personal Lines Company Cancellations	3,315	50	0	50	0	90	100

## F. UNDERWRITING & RATING

The evaluation of standards in this business area is based on review of company responses to information requests, questions, interviews, presentations made to the examiner, and file sampling. The underwriting and rating practices portion of the examination is designed to provide a view of how the Company treats the public and whether that treatment is in compliance with applicable statutes, rules and regulations. It is typically determined by testing a random sampling of files and applying various tests to the sampled files. Testing is concerned with compliance issues.

**Standard F1: The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the Company rating plan.** (2017 NAIC Market Regulation Handbook Chapter 16, § F Standard 1)

### Test Methodology:

- Was the premium calculated correctly? [W. Va. Code § 33-11-4(7)(c)]
- Were the underwriting guidelines followed?

**Examiner Observations:** Although farmers mutual fire insurance companies are not required to file rates with the Commissioner's Office, rates should not be unfairly discriminatory. Wide scale application of incorrect rates by a company may raise financial solvency questions or be indicative of inadequate management oversight. Deviation from established rating plans may also indicate a company is engaged in unfair competitive practices.

Sampled populations were separated by commercial and personal lines of business. Examiner's included in their review a representative sample of all lines of business written by the Company. Policy file samples were reviewed and the premiums issued were verified with the Company's internal rating system to determine if the Company was following their underwriting guidelines. The Company consistently followed its underwriting guidelines. There were no exceptions.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F1 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F2: All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations.** (2017 NAIC Market Regulation Handbook Chapter 16, § F Standard 2)

**Test Methodology:**

- Were quotations reasonable and accurate with mandated disclosures as applicable?

**Examiner Observations:** It is necessary to provide insured's with appropriate disclosures, both mandated and reasonable. Without appropriate disclosures, insureds find it difficult to make informed decisions. Commercial and personal lines new business was tested for concerns to include the accuracy of producer quotations, extended and supplemental coverages. Quotations were reasonable and accurate. Any rate changes were prior to issuance with notice to the producer and/or applicant or were made at renewal dates and insureds were provided adequate advance notice. New applications were reviewed with the types of coverages selected and the premium calculated using appropriate company rating materials. Coal mine subsidence was offered requiring the applicant to either accept or reject by signature. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F2 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F3: Company does not permit illegal rebating, commission-cutting, or inducements.** (2017 NAIC Market Regulation Handbook Chapter 16, § F Standard 3)

**Test Methodology:**

- 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)]

**Examiner Observations:** A review of commercial and personal lines new issue policy files found no evidence of rebating or commission-cutting. No exceptions were noted.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F3 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F4: The Company underwriting practices are not unfairly discriminatory. The Company adheres to applicable statutes, rules and regulations, and Company guidelines in the selection of risks.** (2017 NAIC Market Regulation Handbook Chapter 16, § F Standard 4)

**Test Methodology:**

- Is the Company following its underwriting guidelines?
- Do those guidelines conform to any applicable statutes, rules and regulations?
- Any inconsistency in handling of rating or underwriting practices?

**Examiner Observations:** The personal lines new business file sample was reviewed to ensure underwriting information used to make decisions was not unfairly discriminatory. It was determined that the Company was selecting risks and assigning rates according to company guidelines and no unfair discriminatory practices were detected. The aspect of IRPM (individual risk premium modification), also known as scheduled rating, was reviewed on the commercial lines new business policy file sample. Ten (10) in the sample were determined to have a IRPM premium adjustment. The rating adjustments were found to be consistently applied and the files documented for the rating adjustment.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F4 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business	7,655	25	0	25	0	90	100

Policies							
<i>Total</i>	<i>8,471</i>	<i>111</i>	<i>0</i>	<i>111</i>	<i>0</i>	<i>90</i>	<i>100</i>

**Standard F5: Rescissions are not made for non-material misrepresentation.** (2017 NAIC Market Regulation Handbook Chapter 16, § F Standard 9)

**Test Methodology:**

- Is the decision to rescind the policy made in accordance with applicable statutes, rules, and regulations?
- Do the rescinded policies indicate a trend toward post-claim underwriting practices?

**Examiner Observations:** The Company had one (1) policy rescission within the exam period. The insured declined the policy and no premium payments were made. Examiners found no evidence of unfair discrimination.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F5 Results: Rescissions Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard %	Compliance %
Rescissions	1	1	0	1	0	90	100

**Standard F6: Underwriting, rating, and classification are based on adequate information developed at or near inception of the coverage rather than near expiration or following a claim.** (2017 NAIC Market Regulation Handbook Chapter 17, § F Standard 8)

**Test Methodology:**

- Determine if the initial underwriting of a policy is based on the information obtained at or near inception of coverage rather than after a claim is submitted.

**Examiner Observations:** Both commercial and personal lines new business policy files were reviewed to determine if underwriting decisions were based on information received at inception of the policy rather than through audits or post claim. The Company uses inspections, photographs and underwriting checklists to supplement applications. Producers utilize the Company online rating system to quote, bind coverage and process applications to include discounts or surcharges. No exceptions found.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F6 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F7: The company underwriting practices are not unfairly discriminatory. The Company adheres to applicable statutes, rules and regulations, and company guidelines in the selection of risks.** (2017 NAIC Market Regulation Handbook Chapter 17, § F Standard 10)

**Test Methodology:**

- Is the company following its underwriting guidelines? [W.Va. Code § 33-11-4(7)(c)]
- Do those guidelines conform to any applicable statutes, rules and regulations? [W.Va. Code § 33-11-3]
- Any inconsistency in handling of rating or underwriting practices? [W.Va. Code § 33-20-3]
- Do the applications have the required fraud warning statement? [W.Va. Code § 33-6-8(a)]

**Examiner Observations:** Samples of commercial and personal lines new business policy files were reviewed to ensure underwriting information used to make decisions was not unfairly discriminatory. It was determined the Company was selecting risks and assigning rates according to Company guidelines and no unfair discriminatory practices were detected. Reviewed applications contained the required fraud warning statement.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F7 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F8: Applications or enrollment forms are properly, accurately and fully completed, including any required signatures, and file documentation adequately supports decisions made.** (2017 NAIC Market Regulation Handbook Chapter 17, § F Standard 18)

**Test Methodology:**

- Are applications completed and signed where required?
- Are the files properly documented?

**Examiner Observations:** Examiners reviewed a sample of Company new business files. All files were found to contain sufficient application documentation to support the underwriting decisions made.

**Examiner Recommendations:** None

**Results:** Compliant

**Table F8 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F9: The Company does not engage in collusive or anti-competitive underwriting practices.** (2017 NAIC Market Regulation Handbook Chapter 17, § F Standard 13)

**Test Methodology:**

- Is there any unlawful pricing or other prohibited anti-competitive acts or practices? [W. Va. Code § 33-11-3]
- Has the Company entered into any agreements with other West Virginia companies to divide the market within West Virginia by territory? [W. Va. Code § 33-11-3]

**Examiner Observations:** A review of the sample of new business policy files sample and underwriting guidelines did not reveal any evidence of collusive or anti-competitive practices on the part of the Company.

**Examiner Recommendations:** None

**Results:** Compliant



**Table F9 Results: Underwriting & Rating Practices Sample**

Type	Population	Sample	N/A	Pass	Fall	Standard%	Compliance%
Commercial Lines New Business Policies	816	86	0	86	0	90	100
Personal Lines New Business Policies	7,655	25	0	25	0	90	100
<b>Total</b>	<b>8,471</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>	<b>90</b>	<b>100</b>

**Standard F10: Cancellation/non-renewal notices comply with policy provisions and state laws, including the amount of advance notice provided to the insured and other parties to the contract.** (2017 NAIC Market Regulation Handbook Chapter 17 § F Standard 16)

**Test Methodology:**

- Was the policyholder given the proper advance notice on a company initiated cancellation/non-renewal? [W. Va. Code § 33-22-15(c)]

**Examiner Observations:** Company initiated cancellations and non-renewals were reviewed for compliance. W. Va. Code § 33-22-15(c) requires farmers' mutual fire insurance companies to give each policyholder five (5) days' notice of cancellation. Policyholders need sufficient time in the event of a cancellation or non-renewal to replace coverage. The company's policy provisions allow for a broader notice of cancellation as outlined below.

Samples of company-initiated cancellations were separated by commercial and personal lines. Examiners included a representative sample from the population of all lines of business written by the Company. The sampled population also included policy cancellations for non-payment of premium.

Policy files were reviewed for compliance with W. Va. Code § 33-22-15(c) and the Company's policy provisions. According to policy provisions, the Company may, within the first 60 days, cancel for any reason and the Company gives at least a ten (10) day notice. If the policy has been in effect 60 days or more, the Company may cancel for specified reasons as listed under the Policy Conditions and the Company gives at least a thirty (30) day notice. The Company provides at least a ten (10) day notice for policies set to cancel for nonpayment. No exceptions were found.

A sampled population of non-renewal policy files were reviewed for compliance. Examiners included a representative sample of all lines of business written in their review. The Company gave a minimum of thirty (30) days written notice to the insured. Reasons for cancellation and nonrenewal were valid and in accordance with underwriting guidelines, policy provisions and state law. There were no discriminatory practices noted.

**Examiner Recommendations: None**

**Results: Compliant**

**Table F10 Results: Underwriting Notices of Cancellation Sample**

Type	Population	Sample	N/A	Pass	Fail	Standard%	Compliance%
Commercial Lines Company Cancellations	339	50	0	50	0	90	100
Personal Lines Company Cancellations	3,315	50	0	50	0	90	100
Non-Renewals	831	50	0	50	0	90	100
<b>TOTALS</b>	<b>4,485</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>90</b>	<b>100</b>

**G. CLAIMS**

The evaluation of standards in this business area is based on company responses to information items requested by the examiner, discussions with company staff, electronic testing of claim databases, and file sampling during the examination process. This portion of the examination is designed to provide a view of how the Company treats claimants and whether that treatment is in compliance with applicable statutes and rules.

**Standard G1: The initial contact by the Company with the claimant is within the required time frame.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 1)

**Test Methodology:**

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

**Examiner Observations:** The examiners reviewed a sample of paid and closed without payment claim files that included first and third party claims. Sampled populations were separated by commercial and personal lines of business. All claimants were properly contacted within the required 15 working days. No exceptions were found.

**Examiner Recommendations: None**

**Results: Compliant**

**Table G1 Results: Claims Initial Contact Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines	199	25	25	0	0	93	100

<b>Paid Claims</b>							
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G2: Timely Investigations are conducted.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 2)

**Test Methodology:**

- Did the investigation commence within fifteen (15) working days of any claim filed per W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.2a?
- Is the investigation continuing more than 30 calendar days? If so, was a delay letter sent within 15 working days after the 30 calendar days per W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.7?
- If the investigation continued, were subsequent delay letters sent with 45 calendar days per W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.7?

**Examiner Observations:** The examiners reviewed a sample of paid and closed without payment claim files that included first and third party claims. Sampled populations were separated by commercial and personal lines of business. Examiners found no exceptions.

**Examiner Recommendations:** None

**Results:** Compliant

**Table G2 Results: Claims Timely Investigated Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G3: Claims are resolved in a timely manner.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 3)

**Test Methodology:**

- Did the Company deny the claim or make a written offer within ten (10) working days of completing its investigation per W. Va. Code § 33-11-4(9)(c) and W. Va. Code R. § 114-14-6.3?

**Examiner Observations:** The examiners reviewed a sample of paid and closed without payment claim files that included first and third party claims. Sampled populations were separated by commercial and personal lines of business. No exceptions were found.

**Examiner Recommendations:** None

**Results:** Compliant

**Table G3a Results: Claims Resolution Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G4: The Company responds to claim correspondence in a timely manner.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 4)

**Test Methodology:**

- Did the Company reply to pertinent communications from a claimant which reasonably suggests that a response is needed? [W. Va. Code § 33-11-4(9)(b) and W. Va. Code R. § 114-14-5]

**Examiner Observations:** The examiners reviewed a sample of paid and closed without payment claim files that included first and third party claims. Sampled populations were separated by commercial and personal lines of business. No exceptions were found.

**Examiner Recommendations:** None

**Results:** Compliant

**Table G4a Results: Claims Correspondence Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G5: Claim files are adequately documented.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 5)

**Test Methodology:**

- 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. and W. Va. Code R. § 114-14-3]

**Examiner Observations:** The examiners reviewed a sample of paid and closed without payment claim files that included first and third party claims. Sampled populations were separated by commercial and personal lines of business. No exceptions were found.

**Examiner Recommendations:** None

**Results:** Compliant

**Table G5a Results: Claims Documentation Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G6: Company claim forms are appropriate for the type of product.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 7)

**Test Methodology:**

- Are the Company claim forms appropriate?

**Examiner Observations:** The examiners found no exceptions to the rule.

**Examiner Recommendations:** None

**Results:** Compliant

**Table G6a Results: Claims Proper Forms Sample**

Type	Population	Sample	Pass	N/A	Fall	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G7: Denied and closed-without-payment claims are handled in accordance with policy provisions and state laws.** (2017 NAIC Market Regulation Handbook Chapter 16, § G Standard 9)

**Test Methodology:**

- 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 R. § 114-14-6.5, rule defining W. Va. Code § 33-11-4(9)(n)]
- 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, rule by authority of W. Va. Code § 33-2-10]
- 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, rule by authority of W. Va. Code § 33-2-10]

**Examiner Observations:** The examiners reviewed a sample of closed without payment claim files that included first and third party claims. Sampled populations were separated by

commercial and personal lines of business. Denials were based on policy provisions. The basis for the denial was given. All denial letters included the Commissioner's address, phone and web site information.

**Examiner Recommendations:** None  
**Results:** Compliant

**Table G7a Results: Claims Denied or Closed Without Payment Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Closed w/o Payment	154	25	25	0	0	93	100
Personal Lines Closed w/o Payment	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>1,243</b>	<b>75</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

**Standard G8: Company uses the reservation of rights and excess of loss letters, when appropriate.** (2017 NAIC Market Regulation Handbook Chapter 17, § G Standard 1)

**Test Methodology:**

- Has the company sent a reservation of rights, when coverage is in question?
- Does the Company send an excess of loss letter when it is apparent that the loss will exceed policy limits?

**Examiner Observations:** The Company issued reservation of rights and excess of loss letters where appropriate, no exceptions were noted.

**Results:** Compliant

**Table G8a Results: Claims Payment Sample**

Type	Population	Sample	Pass	N/A	Fail	Standard%	Compliance%
Commercial Lines Paid Claims	199	25	25	0	0	93	100
Personal Lines Paid Claims	2,031	25	25	0	0	93	100
Commercial Lines Closed w/o Pay Claims	154	25	25	0	0	93	100
Personal Lines Closed w/o Pay Claims	1,089	50	50	0	0	93	100
<b>TOTALS</b>	<b>3,473</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>100</b>

## **SUMMARY OF RECOMMENDATIONS**

**A formal list of examiner recommendations has been deemed unnecessary as there were no standards of non-compliance found during the examination.**



**EXAMINER'S AFFIDAVIT**

**State of West Virginia**

**County of Kanawha**

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

I, Letha G. Tate, being duly sworn, states as follows:

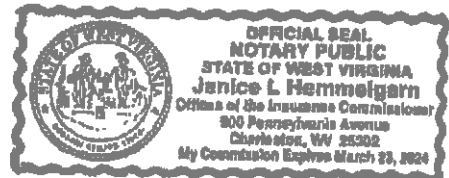
1. I have the authority to represent West Virginia in the examination of Farmers & Mechanics Mutual Insurance Company of West Virginia.
2. I have reviewed the examination work papers and examination report, and the examination of Farmers & Mechanics Mutual Insurance Company of West Virginia was performed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

The affiant says nothing further.

Letha G. Tate, MCM  
Letha G. Tate, MCM  
Examiner in Charge

Subscribed and sworn before me by Letha G. Tate on this 3 day of April, 2019.

Janice L. Hemmelgarn  
Notary Public



My commission expires: March 23, 2024 (date).