

**FLORIDA DEPARTMENT
OF
FINANCIAL SERVICES**

**OFFICE OF INSURANCE REGULATION
BUREAU OF MARKET INVESTIGATIONS**

TARGET MARKET CONDUCT EXAMINATION REPORT

OF

**TRAVELERS PROPERTY CASUALTY COMPANY
OF AMERICA**

**FORMERLY:
(TRAVELERS INDEMNITY COMPANY OF ILLINOIS)**

AS OF

MAY 14, 2004

**NAIC COMPANY CODE: 25674
NAIC GROUP: 3321**

EXAMINER: NORMAN REITMAN COMPANY, INC.



FILED DOWN: 6/17/04

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PURPOSE AND SCOPE OF EXAMINATION

Under authorization of the Florida Department of Financial Services, Office of Insurance Regulation, Bureau of Market Investigations, pursuant to Section 624.3161, Florida Statutes, a property and casualty target market conduct examination of Travelers Property Casualty Company of America (Formerly: Travelers Indemnity Company of Illinois) was performed by Norman Reitman Company, Inc. The scope of this examination covered first reports of unit statistical reports issued to the National Council on Compensation Insurance, Inc. (NCCI) in 2003 for policies written between May 1, 2001 and April 30, 2002. The examination began May 3, 2004 and ended May 14, 2004.

The purpose of this examination was to verify the accuracy and timeliness of unit statistical reports reported by Workers' Compensation insurers to the NCCI.

In reviewing materials for this report, the examiners relied on records maintained by the Company. The files examined were selected systematically from data files provided by the Company using Microsoft Excel's "random sample" selection process. The examination report is a report by exception. As a result, files or material reviewed containing no improprieties by the Company have been omitted from the examination report. Procedures and conduct of the examination were in accordance with the Market Conduct Examiner's Handbook produced by the National Association of Insurance Commissioners.

REVIEW OF UNIT STATISTICAL REPORTS

WORKERS' COMPENSATION

The current examination encompassed a review of workers' compensation Unit Statistical Reports including class codes and claims.

REPORT REVIEW

The following data is based on the review of fifty (50) policy files.

A. PREMIUMS:

In premiums, we looked at one hundred thirty (130) class codes.

The total written premiums for the policy sample were \$2,369,450.

B. CLAIMS:

In claims, we looked at two hundred nineteen (219) claims.

The total claims payments for the policy sample were \$670,877.

SAMPLE FINDINGS:

A. PREMIUMS:

One (1) inconsistency was noted in a review of 130 class codes.

One (1) Policy was reported late due to a coding error.

B. CLAIMS:

Seven (7) inconsistencies were noted in a review of 219 claims.

Seven (7) Claims, attaching to one (1) Policy (as mentioned above under "A"), were reported late due to a coding error.

CONCLUSIONS:

The review indicates that any inconsistencies noted were not substantive, and fell within generally accepted margins. Therefore, the Company is adhering to Florida Statutes.

EXAMINATION REPORT SUBMISSION

The courtesy and cooperation of the officers and employees of the Company during the examination are acknowledged.

The undersigned examiners conducted the examination and prepared the draft report.

Respectfully submitted,

NORMAN REITMAN COMPANY, INC.

BY: Ron Greenfield, Vice President
Deepak Sachdev, Examiner