

2001 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

WEST AMERICAN INSURANCE COMPANY
(OHIO CASUALTY GROUP)

BY

THE FLORIDA DEPARTMENT OF INSURANCE

Filed Date: 8-14-01

TABLE OF CONTENTS

<u>PART NUMBER</u>	<u>SUBJECT</u>	<u>PAGE NUMBER</u>
I.	INTRODUCTION	1
II.	REVIEW OF POLICIES	
A.	DWELLING FIRE	2
III.	EXHIBITS	4

I. INTRODUCTION

West American Insurance Company is a foreign property and casualty insurer licensed to conduct business in the State of Florida during the scope of this property and casualty market conduct examination, January 1999 through December 2000. The examination began April 15, 2001 and ended May 12, 2001. The last property and casualty market conduct examination of this insurer, by the Florida Department of Insurance, was conducted in a group examination which concluded on March 21, 1998.

The last two examinations, 1991 and the 1997, included the review of dwelling fire policies. In both prior examinations, violations cited included use of incorrect fire protection classes.

The purpose of the current examination was to verify corrective action related to the use of protection classes in the rating of dwelling fire policies.

During this examination, records reviewed included dwelling fire policies and underwriting files for the period of January 1999 through December 2000, as reflected in the report.

This report contains examination results addressing all areas of noncompliance found during the course of the examination. In all instances, the Company was directed to take corrective action as required, issue appropriate refunds, make all necessary filings with the Department and immediately cease any activity that continues to place the Company in noncompliance with Florida Statutes/Rules.

As a result of the findings of this examination, \$42.00 was returned to Florida consumers due to overcharges of premium, underpayments of claims and/or inappropriately charged fees.

II. REVIEW OF POLICIES

A. DWELLING FIRE

1. Application of Rules, Rates and Forms

a. Rate/Rule Filings

West American Insurance Company is a subscriber of Insurance Services Office (ISO) and as such ISO is authorized to file rates and rules on the Company's behalf in accordance with Section 627.062, Florida Statutes. In addition, the Company does make some independent filings.

b. Form Filings

West American Insurance Company is a subscriber of Insurance Services Office (ISO) and as such ISO is authorized to file forms on the Company's behalf in accordance with Section 627.410, Florida Statutes. In addition, the Company does make some independent filings.

c. Statistical Affiliation

Insurance Services Office (ISO) acts as the Company's official statistical agent.

2. Premium and Policy Counts

Direct Premiums Written and in-force policy counts for the scope of the examination are as follows:

<u>Year</u>	<u>DPW</u>	<u>Policy Count</u>
1999	\$ 52,320	368
2000	\$ 56,857	398

3. Exam Findings

One hundred (100) policy files were examined.

One (1) error was found.

The error resulted in one (1) overcharge totaling \$42.00.

The error is described as follows:

1. One (1) error was due to failure to follow the filed rates by using an incorrect protection class. This constitutes a violation of Section 627.062, Florida Statutes. These errors resulted in one (1) overcharge totaling \$42.00, which has been refunded by the Company. This error occurred in the 1991 Examination, Page 20, Item 1. In addition, this error occurred in the 1997 Examination, Page 8, Item 1.

III. EXHIBITS

<u>SUBJECT</u>	<u>EXHIBIT NUMBER</u>
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1991 EXAMINATION PAGE 20, ITEM 1	I
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1997 EXAMINATION PAGE 8, ITEM 1	II
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