



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Cincinnati Insurance Company

December 5, 2024

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Cincinnati Insurance Company using a sample period of January 1, 2022 through December 31, 2022. The examination survey was limited to Connecticut Private Passenger Auto insurance business.

Cincinnati Insurance Company has its home office in the State of Ohio. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints, and underwriting information requested for the examination period.

The Department's findings are as follows:

- (a) (21) Twenty-one entities acting as an agent of Respondent without the required appointment.
- (b) (9) Nine individuals acting as agents of Respondent without the required license.
- (c) (48) Forty-Eight instances where the Respondent failed to undertake to pay Loss of Use.
- (d) One (1) individual adjusting claims without the required casualty adjuster's license.
- (e) Failure to take proper corrective action regarding producer appointments and licensing as mandated by Consent order MC 17-94, executed August 30, 2017

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF:

DOCKET : MC 24-152

CINCINNATI INSURANCE COMPANY:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Cincinnati Insurance Company and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to: Cincinnati Insurance Co.

1. Cincinnati Insurance Co., hereinafter referred to as Respondent, is domiciled in the State of Ohio and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 10677.
2. From January 1, 2024 through December 5, 2024, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2022 through December 31, 2022.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - (a) (21) Twenty-one entities acting as an agent of Respondent without the required appointment.
 - (b) (9) Nine individuals acting as agents of Respondent without the required license.
 - (c) (48) Forty-eight instances where the Respondent failed to undertake to pay Loss of Use.
 - (d) One (1) individual adjusting claims without the required casualty adjuster's license.
 - (e) Failure to take proper corrective action regarding producer appointments and licensing as mandated by Consent order MC 17-94, executed August 30, 2017
4. The conduct described in paragraph three is in violation of Sections 38a-702m of the Connecticut General Statutes, and 38a-334-2(c) and 38a-334-5(a) of the Connecticut Regulations and constitutes cause for the imposition of a fine

or other administrative penalty under Sections 38a-2 and 38a-41 of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
5. WHEREAS, Respondent agrees to pay a fine in the amount of \$96,000 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to notice and a hearing; and
 - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Ninety Six Thousand Dollars (\$96,000) for the violations herein above described.

Cincinnati Insurance Company

By: Kelly Chasteen _____

(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this _____5th_____ day of __February_____ 2025, for and on behalf of Cincinnati Insurance Company; that she/he is the _Vice President_____ of such company, and she/he has authority to execute and file such instrument.

By: [Signature]

STATE OF Ohio

SS

COUNTY OF Butler

On the 5 day of February 2025, before me personally appeared Kelly Chasteen, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

Mary Collins
Notary Public/Commissioner of The Superior Court



Mary Collins
Notary Public, State of Ohio
My Commission Expires September 06, 2026

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 26th day of February 2025.

[Signature]
Andrew N. Mais
Insurance Commissioner