



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Selective Insurance Company of South Carolina

July 15, 2024

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Selective 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.

Selective Insurance Company has its home office in the State of New Jersey. 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:

- One (1) instance where an individual adjusting casualty claims without the required license.
- Three (3) instances where reporting the NCIB was not completed.
- One (1) individual acting as agents of Respondent without the required License.

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 24-99
SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Selective Insurance Company of South Carolina 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 Selective Insurance Company of South Carolina:

1. Selective Insurance Company of South Carolina, hereinafter referred to as Respondent, is domiciled in the State of Indiana and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 19259.
2. From January 17 through July 8, 2024, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1 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) One (1) individual adjusting claims without the required casualty adjuster's license.
 - (b) Three (3) Instances where reporting to the NICB was not completed.
 - (c) One (1) individual acting as agents of Respondent without the required license.
4. The conduct described in paragraph three violates Sections 38a-702b and 38a-357 of the Connecticut General Statutes, and Sections 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 described in the Market Conduct Report and this Stipulation, to ensure compliance with Connecticut Statutes and Regulations; 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
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$8,500.00 for the violations described herein; and
5. WHEREAS, Respondent, desiring to terminate 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:

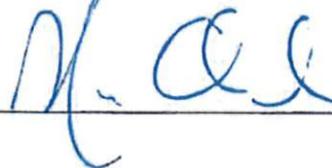
1. That the Insurance Commissioner has subject matter jurisdiction of this administrative proceeding.
2. That Respondent is fined the sum of Eight Thousand five hundred Dollars (\$8,500.00) for the violations herein above described.

Selective Insurance Company of South Carolina

By: 
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 10th day of September 2024, for and on behalf of Selective Insurance Company of South Carolina; that she/he is the SVP, Deputy General Counsel of such company, and she/he has authority to execute and file such instrument.

By: 

STATE OF NEW JERSEY

SS: Branchville

COUNTY OF SUSSEX

On the 10th day of September 2024, before me, the undersigned officer, personally appeared Maria Orecchio (personally known to me or proven to be), who acknowledged him/herself to be the SVP, Deputy General Counsel of Selective Insurance Company of South Carolina, a corporation, and that he/she, as such SVP, Deputy General Counsel, being authorized so to do, executed the foregoing Stipulation and Consent Order for the purposes therein contained by signing the name of the corporation by him/herself as the SVP, Deputy General Counsel, as his/her free act and deed.

In witness whereof I hereunto set my hand.

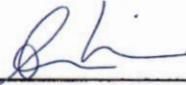



Notary Public
My Commission Expires:

CHRISTINE MARIE LAWSON
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES APRIL 15, 2029
COMMISSION: #2312839

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 23rd day of September 2024.



Andrew N. Mais
Insurance Commissioner