

## EXECUTIVE SUMMARY

The Kansas Insurance Department performed a market conduct examination of GuideOne Insurance Group (GIG). The examination was conducted by reviewing the company underwriting, claims, and rating manuals. The exam team reviewed underwriting, claim, and complaint files in company's home office in West Des Moines, Iowa. A series of meetings were held with GIG staff that focused on their current operations. To supplement and verify the understanding of how the company does business, a series of samples were selected for review to verify their procedures and practices in claims, underwriting and rating.

The company passed most tests; and in terms of delivering good service to its insureds, the examiners were impressed with the overall positive and very professional performance by the GIG staff and management to their policyholders. The exam team has made recommendations on several issues. While there were no deficiencies found, the recommendations should enhance the overall service provided to their members.

### LIST OF RECOMMENDATIONS

#### Complaint Handling

1. Ensure that the contents of the company's complaint files contain copies of "original documents from underwriting, claims, agency or other files, to the extent necessary to document the complaint and the response" per the company complaint procedures."
2. When there is a complaint regarding the performance of an agent, the company can use this as an agency management tool to educate their producer.

#### Underwriting

1. While this was within the tolerances for error ratios per the NAIC Handbook, the examination team feels that a recommendation would apply for the company to insure that the proper rating rules be followed including credits and rating classification. KSA 40-3-953 & KSA 40-3-955.
2. Underwriting Files should be documented properly to support the rating classification. KSA 40-3-953.
3. While this was within the tolerances for error ratios per the NAIC Handbook, the examination team recommends that the company review its procedures to insure that the policy is issued correctly. When a systems problem is discovered, the programming to correct these errors should be done in a timely fashion. KSA 40-216, KSA 40-3-953 & KSA 40-3-955.

4. Cancellations for either cause or request of the insured are processed correctly with the proper notification to the insured or documentation from the client indicating when the policy is to be terminated. KAR 40-3-15, KSA 40-278 & KSA 40-1,112.

#### Claims Handling

1. GuideOne shall complete its investigation of a claim within thirty days after notification of the claim, unless such investigation cannot reasonably be completed within such time. Per K.A.R. 40-1-34 (7).
2. If GuideOne needs more time to investigate the claim to determine if the claim should be accepted or denied, GuideOne shall notify the member within fifteen working days after receipt of the proofs of loss, giving the reasons more time is needed. If the investigation remains incomplete, GuideOne shall, forty-five days from the date of the initial notification and every forty-five days thereafter, send to such member a letter setting forth the reasons additional time is needed for the investigation. Per K.A.R. 40-1-34 (8)(c).
3. The claim files need to be properly documented to insure that pertinent events and dates can be reconstructed. Per 40-1-34 (4).
4. The company needs to insure that all claims are properly handled in accordance with policy provisions and applicable statutes rules and regulations. Per KAR 40-1-34 (5).