

EXECUTIVE SUMMARY

The Kansas Insurance Department performed a market conduct examination of the M P&C. The period of examination was January 1, 2003 through June 30, 2005.

The examiners reviewed the company underwriting, claims, and rating manuals. The exam team reviewed underwriting, claim, and complaint files in Company's administrative office in Warwick, RI. and claim office in St Louis, Mo. A series of meetings were held with M P&C 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 all 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 M P&C staff and management to their policyholders. The exam team has made recommendations on several issues.

LIST OF RECOMMENDATIONS

Underwriting

1. M P&C should review their property termination procedures to insure that the proper termination forms are being sent to Kansas policyholders per K.S.A. 40-955. M P&C has to submit a plan to KID within 30 days to show how they are complying with this recommendation.
2. M P&C and its subsidiaries and affiliate P&C Companies must verify that the vendors who solicit the information from Met P&C's insureds on the construction characteristics of the home and do the calculations on the replacement cost of the property are completely accurate in estimating the replacement cost of the dwelling per K.S.A. 40-953. M P&C and its subsidiaries and affiliate P&C Companies have to submit a plan to KID within 30 days to show how they are complying with this recommendation.
3. M P&C and its subsidiaries and affiliate P&C Companies must stop including debris removal as part of its calculations in determining the limit A amount for its homeowners programs or re-file their homeowners program per K.S.A. 40-955 (a)(f). M P&C and its subsidiaries and affiliate P&C Companies have to submit a plan to KID within 30 days to show how they are complying with this recommendation.

Claim Handling

1. While M P&C was within the NAIC guidelines for both file documentation and timely handling of claim investigation, the exam team is making this recommendation that the company review with their claim staff the importance of adequate file documentation and timely claim investigation.