



Oregon

Tina Kotek, Governor



Division of
Financial
Regulation

Department of Consumer
and Business Services

November 29, 2023

Sent via certified mail and electronic means to: Ldale@travelers.com

Attn: Lindsay Dale, Coordinator
Travelers Personal Insurance Company
385 Washington Street
Saint Paul, MN 55102

Re: Targeted Market Conduct Examination Report
Travelers Personal Insurance Company – NAIC CoCode 38130

Dear Ms. Dale,

Please find Travelers Personal Insurance Company's (Travelers) market conduct examination report for your review. The division's examination team and the insurer examination staff attended a closing conference on November 28, 2023 to discuss the finalization of the report and address any concerns Allstate might have around the examination.

In this conference, Travelers indicated to be in agreement with the report as written.

Insurer report response

Generally, we expect the insurer will respond in writing to the findings and recommendations in the draft within 30 calendar days. During this period the report will not be published, however, the division reserves the right to issue the report to the public without an insurer response if the insurer does not respond within the time allotted. In such cases, we will indicate that we provided the insurer with the opportunity to respond, but the insurer declined to do so or did not do so within the required timeframe.

The response, signed by the responsible company official should be provided as a scanned pdf. The insurer should include in its response the corrective actions it has taken or plans to take in response to the examination and examination report and an estimated timeframe for their implementation. The insurer's response will be included with the final report. The division reserves the right to respond to an insurer's response if the contents of the response are not factual or if, in the judgment of the director, the response requires clarification. We will notify the Insurers that disagree with findings, conclusions, and recommendations in the report the insurer of the disagreement before the release of the report and will allow the insurer to amend its written report response.

Insurers can request a hearing with Director Stolfi under ORS 731.312(3). Insurers that would like to

request a hearing with the Director can email dfr.pconductor@dcbs.oregon.gov. Hearing requests must be received *before* the expiration of the 30 day report consideration period. The hearing with the Director is not a contested case hearing.

Safeguarding draft reports and documentation

The draft examination reports are subject to further review and revision and are not to be considered final. Early disclosure could result in the dissemination of erroneous information or recommendations. The insurer should limit and control the distribution of draft reports. In addition, except for the final draft, draft reports and exam documentation are not subject to public records requests.

The public report

The written public report is generally the best vehicle for communicating the results of each exam. The division will provide the insurer with the expected date for releasing the final exam report and publishing it to the division's website.

Legislative testimony

Legislative committees may request that the division prepare testimony and appear at hearings. When the division testifies about a publicly released report or management letter, the testimony will be fact-based and the conclusions and recommendations will mirror those in the written report.

Recommendation follow-up

The division's recommendations are intended to improve the economy, efficiency, and effectiveness of an insurer's operations and to improve the accountability of insurers providing benefits to Oregonians. We will monitor and may report on an insurer's progress in implementing recommendations. The division will follow up on recommendations as part of recurring examination work or as an activity separate from any other examination activity. When following up on recommendations, we ask the insurer to provide evidence of implementation. Division staff will then assess the evidence and make an independent judgment call as to the status of recommendation implementation.

Press policy

The division may issue a press release highlighting results of insurer examination reports. We are still discussing the timing of any press release on the individual report. Press questions will be handled with the DCBS Communications Office with assistance from examination staff.

/s/ Cassandra Soucy

Cassandra Soucy, MCM
Property and Casualty & Business Analytics Program Manager
Division of Financial Regulation
Oregon Dept. of Consumer & Business Services
Ph. 503-947-7205



Department of Consumer
and Business Services

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

MARKET CONDUCT EXAMINATION REPORT

OF:

**TRAVELERS PERSONAL INSURANCE COMPANY
HARTFORD, CONNECTICUT
NAIC COMPANY CODE 38130
GROUP CODE 3548**

AS OF: October 31, 2023

EXAMINATION PERIOD: AUGUST 1, 2020 THROUGH JANUARY 31, 2022

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Andrew Stolfi, Director
Department of Consumer and Business Services
Division of Financial Regulation
State of Oregon
350 Winter Street, NE
P.O. Box 14480
Salem, OR 97309-0405

Dear Director:

In accordance with your instructions and pursuant to ORS 731.300, a targeted market conduct examination has been performed for:

**TRAVELERS PERSONAL INSURANCE COMPANY
HARTFORD, CONNECTICUT**

**NAIC Company Code 38130
Group Code 3548
NAIC Exam Tracking System Exam Number OR-PACEA-7**

Hereinafter referred to as the “Company”. The following report of examination is respectfully submitted.

FOREWORD

The examination report does not present a comprehensive overview of the Company's practices. The examination report provides details regarding the market conduct standards selected for the scope of the examination. All unacceptable or non-compliant activities may not have been discovered. Failure to identify, comment upon or criticize non-compliant practices does not constitute acceptance of such practices. This targeted market conduct examination report reflects the Oregon insurance activities of Travelers Personal Insurance Company. The targeted market conduct examination findings are being stated in a report by test format. The materials reviewed during the market conduct examination, as reference to any practices, procedures, product forms including filings, and data files are contained in this examination report.

SCOPE OF EXAMINATION

This targeted market conduct examination was performed remotely via desk examination and was conducted as of October 31, 2023 covering the period of August 1, 2020 through January 31, 2022. The examination of the Company was conducted pursuant to Oregon Revised Statute (ORS) 731.300 and in accordance with procedures and guidelines established by the Division of Financial Regulation's Property and Casualty Market Conduct Program. The program generally follows the Market Conduct Examination Handbook as adopted by the National Association of Insurance Commissioners to the extent that it is consistent with Oregon law. The purpose was to determine the Company's compliance with the Wildfire Emergency Order issued by the DCBS Director dated September 18, 2020, Bulletin No. DFR 2020-20, and ORS 742.470 as required by House Bill (HB) 3272. See Appendix A for zip codes included in Bulletin No. DFR 2020-20. The Company's underlying data and materials were measured against established standards. A list of all standards considered can be found in Appendix B at the end of this report. In this report, standards with 100% compliance are identified as passed without comment.

Exceptions include standards with less than 100% compliance that either warranted a recommendation or where errors were noted but a recommendation was not made. If the examiner notes a material finding not included in the established standards, it is noted under the additional findings section.

EXECUTIVE SUMMARY

The targeted market conduct examination focused on the Company's homeowners' business in the following areas of operation: Underwriting and rating, and forms. The Company passed all standards subject of this examination. The Company received a comment regarding Standard #8.

Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity's guidelines. Reference: Oregon Revised Statute (ORS) ORS 731.870, ORS 84.070, ORS 746.005 to 746.270; OAR 836-080-0235, and OAR 836-085-0010 to 836-085-004; Executive Order 2035. The comment was the result one policy that cancelled and one policy that non-renewed during the time period for which the Emergency Order was in effect. The Company agreed to the comment.

EXAMINATION FINDINGS

If applicable, examination findings comprise the basic body of the report including – sample sizing, error %, alleged violations and documentation pertaining to pertinent regulations or statutes. Areas of review may include forms, marketing and sales, producer licensing, rating of policies, underwriting, rescinded policies, cancelled or non-renewed policies, claims paid or denied, and complaints.

The standards under examination were:

Standard #1: The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity's rating plan. Reference: ORS 737.007 to 737.560.

The Company provided and the examiner reviewed all data requested regarding all homeowners' policies for the examination period of August 1, 2020 to January 31, 2022.

The examiner verified:

- There were 69,233 homeowner policies statewide.
- Out of the 69, 233 statewide homeowner policies, 51,393 homeowner policies or 74.23% renewed during the examination period of August 1, 2020 through January 31, 2022.
- Out of the 51,393 renewed statewide homeowner policies, 5,908 homeowner policies or 11.49% were in Bulletin No. DFR 2020-20 zip codes.
- Out of the 5,908 statewide homeowner policies that renewed in the Bulletin No. DFR 2020-20 zip codes, there were 138 homeowner policies or 2.33% with claims during the examination period of August 1, 2020 through January 31, 2022.
- Out of the 138 statewide homeowner policies with claims within the Bulletin No. DFR 2020-20 zip codes, 14 homeowner policies or 10.14% had a claim related to the wildfire event.
- Out of the 14 homeowner policies with a claim related to the wildfire event within the Bulletin No. DFR 2020-20, zero or 0.00% lost a discount.

The examiner further confirmed all renewed policies in the zip codes outlined in Bulletin No. DFR 2020-20 with a claim related to the wildfire event were not outliers from the total of all renewed statewide policies during the exam period of August 1, 2020 to January 31, 2022. Policies with claims related to the wildfire related event did not lose discounts upon renewals. The discounts were applied and removed in accordance to the Company's underwriting guidelines.

The Company passed this standard without comment as premiums were not increased, nor were surcharges applied and discounts removed solely due to a claim related to the wildfire event during the examination period of August 1, 2020 to January 31, 2022. Lastly, comparison between policy premium adjustments with a claim related to the wildfire event, and policies with a claim and/or those without a claim, the Company adjusted premiums in proportionate percentages at each homeowner policy renewal.

Standard #5 All forms, including policies, contracts, riders, amendments, endorsement forms, and certificates are filed with the insurance department, if applicable. Reference: ORS 746.005 to 746.270; and OAR 836-080-0235. The Company provided a list which included the SERFF filing number and policy forms as a result of the implementation of HB 3272. The examiner verified:

- The Company updated their homeowner policy forms via endorsements.
- The filing number for the updated forms were TRVD-133039666, TRVD-133038242 and TRVD-133038743.

The Company passed this standard without comment as the Company filed and updated their homeowner policy contract forms consistently with the provisions of HB 3272. All the policy filings complied with language requirements, as directed by ORS 742.470 and HB 3272.

Standard #6 Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely. Reference: ORS 84.070; ORS 742.250 to 742.572 and OAR 836-085-0010 to 836-085-0045. The examiner verified:

- The company was proactive in taking steps to implement the codification of HB 3272 into ORS 742.270.
- Procedural documentation illustrating how policyholders were made aware of the changes in their policies as a result of the implementation of HB 3272.
- The Company has compliance processes to provide guidance to impacted departments in order to ensure compliance HB 3272 and ORS 742.470.

The Company passed this standard without comment, as it updated related policy forms as a result of the implementation of HB 3272 timely. Additionally, the Company has a business practice to prepare for future declaration of emergencies. The Company began including a copy of the approved endorsement with each renewal policy.

Standard #8 Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity's guidelines. Reference: ORS 84.070; ORS

746.005 to 746.270; OAR 836-080-0235; and OAR 836-085-0010 to 836-085-0045. The Company provided data regarding all homeowners' policies for the examination period of August 1, 2020 to January 31, 2022.

- There were a total of 69,233 homeowner policies statewide.
- Out of the 69,233 homeowner policies statewide, 11,563 policies or 16.70% cancelled or non-renewed during the examination period of August 1, 2020 thru January 1, 2022.
- Out of the 11,563 homeowner policies statewide that cancelled or non-renewed, 290 policies or 2.50% were in the zip codes identified in the Bulletin No. DFR 2020-20.
- Out of the 290 homeowner policies that cancelled or non-renewed within the zip codes identified in the Bulletin No. DFR 2020-20, one policy or 0.34% cancelled during the period for which the Wildfire Emergency Order dated September 18, 2020 was in effect.
- Out of the 290 homeowner policies that cancelled or non-renewed within the zip codes identified in the Bulletin No DFR 2020-20, one or 0.34% non-renewed during the period for which the Wildfire Emergency Order dated September 18, 2020 was in effect.

The Company passed this standard with comment. The examiner verified one policy was cancelled and one non-renewed within the zip codes outlined in Bulletin No. DFR 2020-20 during the period for which the Wildfire Emergency Order dated September 18, 2020 was in effect.

The examiner reviewed the Company's provided samplings of communications which were provided to policyholders upon cancelation or non-renewal of policies. Such communications were accurate and complete in providing information contained in Bulletin No. DFR 2020-20.

ADDITIONAL FINDINGS

The examiner noted no additional findings.

CONCLUSIONS

The Company passed all of the standards subject of this examination.

The Company was receptive to the comment issued by the examination team regarding Standard #8. The company was proactive and addressed the comment issued by the examination team.

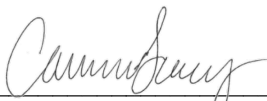
The Company was prompt, timely and cooperative in addressing all inquiries during the course of the examination.

ACKNOWLEDGMENT

The cooperation and assistance rendered by the officers and employees of the Company during this examination is acknowledged and appreciated. A special thanks is extended to the Examination Coordinator for her courtesy and assistance providing, correlating, or coordinating all requested documents to ensure a smooth transition during the overall examination process. Besides the undersigned, Ana Pace participated in this examination.

Respectfully submitted,

Cassandra Soucy



Cassandra Soucy, MCM
Property and Casualty & Business
Analytics Program Manager
Department of Consumer and Business Services
Division of Financial Regulation
State of Oregon

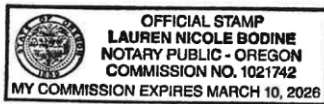
11/28/2023

Date

State of Oregon)
)
County of Marion)

I, Lauren Bodine, Notary Public, Witness my hand and official seal this 28th day of November, 2023.





Signature of Notary

Notary Printed Name: Lauren Bodine

My Commission Expires: March 10, 2026

AFFIDAVIT

The examination was conducted in accordance with the Oregon Department of Consumer and Business Services, Division of Financial Regulation and the National Association of Insurance Commissioners Market Conduct Examination procedures.

In addition to the undersigned, Ana K. Pace, participated in this examination and the preparation of this report.

Respectfully submitted,

Ana K. Pace

Ana K. Pace

11/28/2023

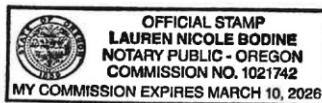
Ana K. Pace, AIE, MCM
Insurance Examiner
Department of Consumer and Business Services
Division of Financial Regulation
State of Oregon

Date

State of Oregon)
)
County of Marion)

I, Lauren Bodine, Notary Public, Witness my hand and official seal this 28th day of November, 2023.

Lauren Bodine



Signature of Notary

Notary Printed Name: Lauren Bodine

My Commission Expires: March 10, 2026

**DIVISION OF FINANCIAL REGULATION
MARKET CONDUCT EXAMINATION**

**Travelers Personal Insurance Company
NAIC Code 38130
Group 3548**

APPENDIX A

Bulletin No. DFR 2020-20 zip codes

97004, 97009, 97011, 97017, 97022, 97023, 97028, 97037, 97038, 97042, 97045, 97055, 97067, 97123, 97132, 97140, 97339, 97358, 97375, 97342, 97350, 97523, 97538, 97636, 97327, 97739, 97346, 97360, 97368, 97374, 97381, 97383, 97384, 97385, 97386, 97413, 97438, 97443, 97446, 97447, 97454, 97470, 97478, 97479, 97488, 97489, 97494, 97501, 97504, 97520, 97522, 97524, 97534, 97535, 97536, 97539, 97540, 97541, 97543, 97544, 97604, 97730, 97731, 97733, 97737, 97759, 97761

APPENDIX B

Underwriting – Forms

#	Standard	Regulatory Authority
1	The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity’s rating plan.	ORS 737.007 to 737.560
5	All forms, including policies, contracts, riders, amendments, endorsement forms, and certificates are filed with the insurance department, if applicable.	ORS 746.005 to 746.270; and OAR 836-080-0235
6	Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely.	ORS 84.070; ORS 742.560 to 743.572; and OAR 836-085-0010 to 836-085-0045
8	Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity’s guidelines.	ORS 84.070; ORS 746.005 to 746.270; OAR 836-080-0235; and OAR 836-085-0010 to 836-085-0045



Lindsay Dale

Manager

Corporate Compliance & Market Regulation

385 Washington Street

St. Paul, MN 55102

Telephone 651.310.6689

E-mail: ldale@travelers.com

December 27, 2023

Ana Pace
Market Conduct Examiner
Oregon Division of Financial Regulation
350 Winter Street
Salem, OR 97301

**Subject: Travelers Personal Insurance Company (NAIC # 36161)
Market Conduct Examination Report**

Dear Ms. Pace,

We have had an opportunity to review the Market Conduct Examination Report dated November 28, 2023, and accept the findings outlined in the report. We thank you for your professional courtesy throughout the exam process.

Regards,

Lindsay Dale