

## **EXECUTIVE SUMMARY**

A targeted market conduct examination of Progressive Direct Insurance Company (PRDRT) and Progressive Northwestern Insurance Company (PNWIC), also referred to as the “Company” or “Companies”, was conducted pursuant to, but not limited to K.S.A. 40-222. The examination period was from January 1, 2009 through December 31, 2010. The primary focus of the exam was operations and management, complaint handling, and claim processing related to automobile insurance.

There were two violations found with regards to complaint handling, both relating to the files not being adequately date stamped. Overall the Company was timely in responding to Kansas Insurance Department complaints as well as following their internal guideline for responding to direct consumer complaints. However, the internal guideline is based on the date the complaint is logged into the system, not necessarily the date it is actually received by the Company. While there were no statutory violations, this practice should be updated to base the response timelines on the date the complaint is actually received by the Company.

Regarding claim handling, the Company did not fail any standards. Overall the claim files tested appeared to be in compliance with both regulatory requirements as well as Company procedures.

### **Recommendations**

#### **COMPLAINT HANDLING**

1. The Company must ensure consistency in date-stamping when complaints are initially received.
2. The Company should ensure they track the day they actually receive complaint correspondence, and use that date to determine when responses are due.