

2000 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

HARTFORD FIRE INSURANCE COMPANY
(THE HARTFORD INSURANCE GROUP)

BY

THE FLORIDA DEPARTMENT OF INSURANCE

Filed Date 1-11-01

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I. INTRODUCTION

Hartford Fire Insurance Company is a foreign property and casualty insurer licensed to conduct business in the State of Florida during the scope of this examination, January 1999 to August 2000. The examination began October 2, 2000 and ended October 13, 2000.

Records reviewed during this examination included Lender force placed flood policies.

Specifically, this report contains examination results addressing the relationship of issue date to effective date of Lender force placed flood policies.

II. REVIEW OF POLICIES

A. FLOOD POLICIES

1. Application of Rules and Rates

When a homeowner fails to maintain proof of flood insurance, a request is made to issue a force placed flood policy to provide the coverage.

Hartford Fire Insurance Company currently has 396 policies in force. The initial new business policy period of Lender force placed flood policies were examined to establish the relationship of effective date to issue date of the policies.

2. Exam Findings

Ninety-six (96) policies were reviewed. The initial policy period was reviewed in order to verify the handling of new policy issuance.

Four policies displayed an initial effective date that did not comply with the 10 day waiting period for this lender force placed business as required under the Federal Flood Guidelines. In addition, one of these policies was given an effective date prior to receipt of the premium and application by the Company. The practice of backdating is not allowed under the Federal Flood Program Guidelines, Exhibit I. The National Flood Insurance Program (NFIP), Exhibit II, in connection with mortgage portfolio reviews, states that the 30 day waiting period on new policies after receipt of the application and policy premium for the coverage to become effective does not apply. Date application and money were received will become the effective date as long as NFIP receives such within 10 working days.

The following chart reflects the pertinent data associated with the initial policy period of 96 policies reviewed.

HARTFORD FIRE INSURANCE COMPANY

FORCE PLACED FLOOD POLICIES

No	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
1	990130900299	02/04/99	02/09/99	02/01/99	02/01/99	0
2	990130984299	02/10/99	02/10/99	02/08/99	02/08/99	0
3	990121191899	02/24/99	02/25/99	02/12/99	02/12/99	0
4	990131223599	03/01/99	03/01/99	02/18/99	02/18/99	0
5	990131509599	03/15/99	03/19/99	03/12/99	03/12/99	0
6	990131555799	03/19/99	03/19/99	03/17/99	03/17/99	0
7	990131644999	03/24/99	03/29/99	03/23/99	03/23/99	0
8	990131777299	04/02/99	04/02/99	03/30/99	03/30/99	0
9	990131797099	04/05/99	04/05/99	04/01/99	04/01/99	0
10	990131892199	04/09/99	04/09/99	04/07/99	04/07/99	0
11	990132451599	05/17/99	05/17/99	05/10/99	05/10/99	0
12	990132172199	04/27/99	04/30/99	04/19/99	04/19/99	0
13	990132528199	05/20/99	05/20/99	05/11/99	05/11/99	0
14	990132859199	06/08/99	06/10/99	05/30/99	05/30/99	0
15	99013324771999	07/06/99	07/07/99	07/01/99	07/01/99	0
16	99014021212000	07/21/99	07/25/99	07/21/99	07/21/99	0
17	99013353771999	07/26/99	07/26/99	07/19/99	07/19/99	0
18	99013378981999	08/10/99	08/10/99	08/06/99	08/06/99	0
19	99013383591999	08/09/99	08/25/99	07/27/99	07/27/99	0
20	99013407461999	08/26/99	10/01/99	08/01/99	08/01/99	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
21	99013407701999	08/26/99	08/27/99	08/01/99	08/01/99	0
22	99013408861999	08/26/99	10/01/99	08/01/99	08/01/99	0
23	99013417531999	08/30/99	09/03/99	08/24/99	08/24/99	0
24	99013456921999	09/29/99	09/28/99	09/27/99	09/27/99	0
25	99013408991999	08/26/99	10/01/99	08/01/99	08/01/99	0
26	99013439431999	09/16/99	09/16/99	09/10/99	09/10/99	0
27	99013409251999	08/26/99	08/27/99	08/01/99	08/01/99	0
28	99013468821999	10/05/99	10/05/99	10/04/99	10/04/99	0
29	99014009012000	07/12/00	07/21/00	07/11/00	07/11/00	0
30	99014008562000	07/12/00	07/21/00	07/11/00	07/11/00	0
31	99013999042000	07/17/00	07/25/00	07/11/00	07/11/00	0
32	99014009222000	07/18/00	07/20/00	07/18/00	07/18/00	0
33	99014009122000	07/12/00	07/21/00	07/11/00	07/11/00	0
34	99013997482000	07/11/00	07/21/00	07/11/00	07/11/00	0
35	99013592621999	12/22/99	12/22/99	12/21/99	12/21/99	0
36	99013583511999	12/16/99	12/16/99	12/14/99	12/14/99	0
37	99013583231999	12/16/99	12/16/99	12/14/99	12/14/99	0
38	99013554661999	11/22/99	11/29/99	11/01/99	11/22/99	21
39	99013570821999	12/08/99	12/08/99	12/06/99	12/06/99	0
40	99013514401999	11/02/99	11/02/99	11/01/99	11/01/99	0
41	99013562761999	12/01/99	12/02/99	11/24/99	11/24/99	0
42	99013534811999	11/12/99	11/12/99	11/01/99	11/01/00	0
43	99013622372000	01/14/00	01/14/00	01/12/00	01/12/00	0
44	99013606482000	01/04/00	01/04/00	01/03/00	01/03/00	0
45	99013622242000	01/14/00	01/14/00	01/12/00	01/12/00	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
46	99013622122000	01/14/00	01/20/00	01/12/00	01/12/00	0
47	99013707132000	03/01/00	03/06/00	03/01/00	03/01/00	0
48	99013699872000	02/29/00	03/02/00	02/28/00	02/28/00	0
49	99013699962000	02/29/00	03/02/00	02/28/00	02/28/00	0
50	99013700232000	02/29/00	03/02/00	02/28/00	02/28/00	0
51	99013700922000	02/29/00	03/03/00	02/28/00	02/28/00	0
52	99013706722000	03/01/00	03/06/00	03/01/00	03/01/00	0
53	99013701232000	02/29/00	03/03/00	02/28/00	02/28/00	0
54	99013462001999	09/30/99	09/30/99	09/29/99	09/29/99	0
55	99013468401999	10/05/99	10/05/99	10/04/99	10/04/99	0
56	99013501741999	10/26/99	10/26/99	10/25/99	10/25/99	0
57	99013508711999	10/28/99	11/03/99	10/25/99	10/25/99	0
58	99013511951999	10/29/99	11/03/99	11/01/99	11/01/99	0
59	99013707392000	03/01/00	03/06/00	03/01/00	03/01/00	0
60	99013755692000	03/29/00	03/31/00	03/29/00	03/29/00	0
61	99013756852000	03/29/00	03/31/00	03/29/00	03/29/00	0
62	99013725962000	03/13/00	03/16/00	03/13/00	03/13/00	0
63	99013756142000	03/29/00	03/31/00	03/29/00	03/29/00	0
64	99013670732000	02/11/00	02/15/00	02/11/00	02/11/00	0
65	99013668142000	02/10/00	02/14/00	01/18/00	02/10/00	23
66	99013659442000	02/03/00	02/09/00	02/02/00	02/02/00	0
67	99013659092000	02/03/00	02/08/00	02/02/00	02/02/00	0
68	99013658902000	02/03/00	02/08/00	02/02/00	02/02/00	0
69	99013652902000	02/03/00	02/03/00	02/01/00	02/01/00	0
70	99013622692000	01/14/00	01/14/00	01/12/00	01/12/00	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
71	99013822822000	05/01/00	05/03/00	04/28/00	04/28/00	0
72	99013817702000	05/01/00	05/01/00	04/27/00	04/27/00	0
73	99013796672000	04/12/00	04/20/00	04/12/00	04/12/00	0
74	99013796252000	04/12/00	04/19/00	04/12/00	04/12/00	0
75	99013408061999	08/26/99	08/27/99	08/01/99	08/01/99	0
76	99013408351999	08/26/99	08/27/99	08/01/99	08/01/99	0
77	99013407871999	08/26/99	08/27/99	08/01/99	08/01/99	0
78	99013793812000	04/18/00	04/19/00	04/18/00	04/18/00	0
79	99013962852000	06/27/00	06/29/00	06/22/00	06/22/00	0
80	99013938492000	06/19/00	06/20/00	06/12/00	06/12/00	0
81	99013868642000	05/22/00	05/22/00	05/18/00	05/18/00	0
82	99013839442000	05/08/00	05/09/00	04/28/00	04/28/00	0
83	99013833532000	05/05/00	05/08/00	04/28/00	04/28/00	0
84	99013826552000	05/02/00	05/04/00	04/28/00	04/28/00	0
85	99013782652000	04/11/00	04/14/00	04/07/00	04/07/00	0
86	99013408401999	08/26/99	08/27/99	08/01/99	08/26/99	0
87	99013408461999	08/26/99	08/30/99	08/01/99	08/26/99	0
88	99013408741999	08/26/99	08/27/99	08/01/99	08/26/99	0
89	99014009342000	07/18/00	07/20/00	07/18/00	07/18/00	0
90	99014010122000	07/12/00	07/20/00	07/11/00	07/11/00	0
91	99014020842000	07/24/00	07/25/00	07/05/00	07/24/00	19
92	99014021072000	07/25/00	07/25/00	07/21/00	07/21/00	0
93	99014021762000	07/21/00	07/26/00	07/21/00	07/21/00	0
94	99014022452000	07/21/00	07/26/00	07/21/00	07/21/00	0
95	99014042122000	07/31/00	08/04/00	07/21/00	07/21/00	0
96	99014092802000	08/21/00	08/23/00	06/17/00	08/21/00	65

III. CLAIMS

Three (3) claims were reviewed to verify that the date of loss occurred within the policy period.

No error was found.

The following chart reflects pertinent data associated with the claim reviewed.

FLOOD CLAIMS

No	INSURED	DATE OF LOSS	POLICY PERIOD	POLICY NO.	CLAIM NO.	COMMENT
1	Richard L. Sabanski	10/15/99	5/19/99 – 5/19/00	99-01325413-1999	99-01325413-1999	
2	Jesus Broche	10/15/99	03/25/99 – 03/25/00	99-01316837-1999	99-01316837-1999	
3	Harold Forshey	10/15/99	10/01/97 – 10/01/00	99-01220944-1999	99-01220944-1999	Renewed Annually since 10/1/97

IV. EXHIBITS

SUBJECT _____ EXHIBIT NUMBER

FEDERAL FLOOD PROGRAM GUIDELINES I

WAITING PERIOD RULE II

CLAIM HANDLING PROCEDURES III