

FILED
OCT 21 2021
Department of Insurance
State of Idaho AM

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

FARMERS DIRECT PROPERTY AND
CASUALTY INSURANCE COMPANY,
Idaho Certificate of Authority No. 821,
NAIC ID No. 25321;

ECONOMY FIRE & CASUALTY
COMPANY, Idaho Certificate of Authority
No. 1798, NAIC ID No. 22926;

ECONOMY PREFERRED INSURANCE
COMPANY, Idaho Certificate of Authority
No. 1799, NAIC ID No. 38067;

and

FARMERS PROPERTY AND
CASUALTY INSURANCE COMPANY,
Idaho Certificate of Authority No. 1022,
NAIC ID No. 26298.

Docket No. 18-3927-21

**AMENDED ORDER
AUTHORIZING BLOCK
NONRENEWAL**

On or about February 1, 2021, the Idaho Department of Insurance (“Department”) received notice of the intent of FARMERS DIRECT INSURANCE PROPERTY AND CASUALTY INSURANCE COMPANY, formerly known as Metropolitan Direct Property and Casualty Insurance Company (“FARMERS DIRECT”), and ECONOMY FIRE & CASUALTY COMPANY (“ECONOMY FIRE”) to discontinue writing personal auto insurance policies in Idaho and to block nonrenew and transition all existing auto policies into the “Met360 Auto”

program of an affiliated company, ECONOMY PREFERRED INSURANCE COMPANY ("ECONOMY PREFERRED").

FARMERS DIRECT, ECONOMY FIRE, and ECONOMY PREFERRED (collectively, the "Companies") represented to the Department that the transition would affect approximately one hundred twenty-two (122) FARMERS DIRECT policies and approximately twelve (12) ECONOMY FIRE policies, that affected policyholders would be advised of the Companies' intent to transfer the policies, that affected policyholders would be able to continue their policies with ECONOMY PREFERRED at the same premium rates and have access to better coverage options, and that affected policies would be transitioned at policy renewal dates beginning on and after August 1, 2021.

To accomplish the proposed transfer, the Companies requested an exception to the general prohibition against block nonrenewal of personal auto insurance policies, as set forth in Idaho Code § 41-2507, stating that the new system will be the platform for the Companies' future products and that the existing system has encountered a number of issues resulting in very poor customer experience.

On July 9, 2021, the Department's Director granted the Companies' request after finding that the request complied with Idaho Code § 41-1841(1)'s notice requirements and that allowing the proposed nonrenewal and transfer would be in the affected policyholders' best interest. *See* Order entered July 9, 2021.

On or about October 18, 2021, the Companies determined that the subject policies could not be transitioned to ECONOMY PREFERRED's Met 360 Auto program without premium disruption. The Companies thus filed an amended request that asked the Department to instead transition the policies to the "Legacy Auto" program of another affiliated company, FARMERS

PROPERTY AND CASUALTY INSURANCE COMPANY, beginning on or after November 1, 2021.

The Director, having reviewed the foregoing and the requirements of Idaho Code §§ 41-1841(1) and 41-2509(2), and acting pursuant to the authority set forth in Idaho Code § 41-210(2), hereby finds that the proposed effective date of the contemplated block nonrenewal complies with the one hundred twenty (120) day notice requirement to the Director set forth in Idaho Code § 41-1841(1), and further finds that it is in the best interest of the affected policyholders to allow the nonrenewal and transfer described above, in accordance with the Director's discretionary authority as set forth in Idaho Code § 41-2509(2). Based on these findings, and good cause appearing therefor;

NOW THEREFORE, IT IS HEREBY ORDERED that FARMERS DIRECT and ECONOMY FIRE are authorized to effectuate a block nonrenewal of their personal auto insurance policies delivered or issued for delivery in Idaho for the purpose of transitioning such policies to the Legacy Auto program of FARMERS PROPERTY AND CASUALTY INSURANCE COMPANY, an affiliated company. Such nonrenewals and transfers shall begin at policy renewal dates beginning on and after November 1, 2021, and transferred policies shall be continued with FARMERS PROPERTY AND CASUALTY INSURANCE COMPANY at the same premium rates. The Companies shall provide proper notice to affected policyholders of the intent to transfer the policies in accordance with Idaho law and with any applicable notice terms in the subject policies.

IT IS FURTHER ORDERED that the prior order entered in this matter on July 9, 2021, is replaced by this order to amend the transition company and the beginning transition date in accordance with the Companies' request of October 18, 2021.

This Order is a final order of the Director and is effective immediately.

DATED this 24 day of October, 2021.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. See Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or

- iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration, whichever is later. See Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21st day of October, 2021, I caused a true and correct copy of the foregoing *AMENDED ORDER AUTHORIZING BLOCK NONRENEWAL* to be served upon the following by the designated means:

Farmers Direct Property and Casualty Ins. Co.
700 Quaker Lane
Warwick, RI 02887
mary.seander@farmersinsurance.com
paul.gavin@farmersinsurance.com

- ☐ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile
☒ via email

Economy Fire & Casualty Company
700 Quaker Lane
Warwick, RI 02887
mary.seander@farmersinsurance.com
paul.gavin@farmersinsurance.com

- ☐ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile
☒ via email

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☐ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile
☒ via email

Karl T. Klein
Lead Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

☐ first class mail
☐ certified mail
☒ hand delivery
☐ via facsimile
☐ via email


Pamela Murray