

FILED  
JUL 09 2021  
Department of Insurance  
State of Idaho

**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;

and

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

Docket No. 18-3927-21

**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 will affect approximately one hundred twenty-two (122) FARMERS DIRECT policies and approximately twelve (12) ECONOMY FIRE policies, that affected policyholders will be advised of the Companies’ intent to transfer the policies, that affected policyholders will 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 will be transitioned at policy renewal dates beginning on and after August 1, 2021.

To accomplish the proposed transfer, the Companies have 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.

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 Met360 Auto program of ECONOMY PREFERRED, an affiliated company. Such nonrenewals and transfers shall begin at policy renewal dates beginning on and after August 1, 2021, and transferred policies shall be continued with ECONOMY PREFERRED 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.

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

DATED this 8<sup>th</sup> day of July, 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, 3<sup>rd</sup> 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 9<sup>th</sup> day of July, 2021, I caused a true and correct copy of the foregoing ORDER AUTHORIZING BLOCK NONRENEWAL to be served upon the following by the designated means:

Farmers Direct Property and Casualty Ins. Co.  
700 Quaker Lane  
P.O. Box 350  
Warwick, RI 02887

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

Economy Fire & Casualty Company  
700 Quaker Lane  
P.O. Box 350  
Warwick, RI 02887


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

Economy Preferred Insurance Company  
700 Quaker Lane  
P.O. Box 350  
Warwick, RI 02887

- ☒ 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, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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

  
Pamela Murray