MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G 06-60
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
American Commerce Insurance Company	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Insurer	)	
	)	

BACKGROUND

An examination of the market conduct of **American Commerce Insurance Company** (the Company) as of June 30, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Ohio, holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Company for its comments on August 17, 2006. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 23 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **American Commerce Insurance Company** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 20.

1. The Company is ordered to comply with WAC 284-30-340 and ensure that claim files contain log notes in sufficient detail that pertinent events and the dates of those events can be reconstructed.

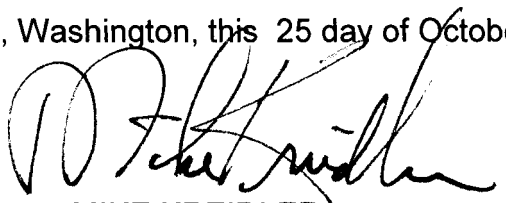
2. The Company is ordered to comply with WAC 284-30-3901 to 3916 to ensure that all automobile total loss settlements include the appropriate taxes and fees. The Company is further ordered to ensure that the total loss market valuations that are used comply with the law. The Company is also ordered to ensure that its policies and procedures are in compliance with WAC 284-30-3903(3)(a).

3. The Company is ordered to consider revising its Property Risk Selection Guide of Washington to reflect what is actually being accepted by the Company to establish replacement values on homes.

4. The Company is ordered to consider conducting a training session for claims personnel handling Washington claims specifically focusing on the requirements of Washington unfair trade practices with specific emphasis placed on WAC 284-30-340 and WAC 284-30-3901 to 3916.

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 25 day of October, 2006.



MIKE KREIDLER
Insurance Commissioner