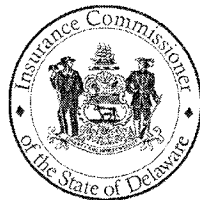


Trinidad Navarro  
Insurance Commissioner



Delaware Department of Insurance

For Immediate Release

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## **EXCESSIVE HOMEOWNERS INSURANCE INCREASE DENIED BY INSURANCE COMMISSIONER**

DOVER, DE (March 13, 2017)— A request by Windsor-Mount Joy Mutual Insurance Company (“WNMJ”) to increase insurance rates on over 2,000 manufactured housing policyholders by 20%-30% has been denied by Insurance Commissioner Trinidad Navarro. Many of these homeowners have already received premium increase notices from WNMJ effective March 15, 2017. Because of the Insurance Commissioner’s denial, those increases **will not go into effect**. For reasons set forth in his order, Commissioner Navarro has deemed the request excessive and unreasonable.

WNMJ’s requested increase would unfairly impact manufactured homeowners in one geographic region—Eastern Sussex County. After reviewing the request, Commissioner Navarro found the request to be unreasonable. The Department of Insurance subsequently hired an independent actuary to determine the fairness of the requested rate increase. After reviewing 10 years of claims files for the company, the Department-contracted actuary concluded that this area, receiving the largest proposed increase, is also the area that has had the **fewest claims**. The company’s cost for reinsurance and brokerage fees were also indicated as being higher than the industry average.

In response, Commissioner Navarro issued the following statement:

“As Insurance Commissioner, it is my duty to look out for and protect consumers. After our analysis, we believe it is unfair for a company to pass on its negotiable reinsurance costs and negotiable brokerage fees to its policyholders by increasing their rates

At this point, there are several routes we can take. WNMJ can either negotiate a better rate for consumers, or file for a public hearing on this matter. That decision will be forthcoming.

When I ran for this position, I promised to thoroughly review and deny any requests for rate increases that I deem to be excessive. I have already negotiated lower rate increases in other cases, however, this is the first that I have had to outright deny. In the future, I will not hesitate to apply strict standards and scrutiny to any rate filing. I will also continue to deny any request for rate increase that I find excessive.”

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THE INSURANCE DEPARTMENT OF THE STATE OF DELAWARE

In the matter of: )  
WINDSOR-MOUNT JOY MUTUAL )  
INSURANCE COMPANY, )  
a foreign property and casualty ) Docket No. 3407-2017  
insurance company )  
NAIC No. 26166 )  
Rate Filing: #DE MD RULE FILING )  
1-2017 )

**ORDER DISAPPROVING RATE FILING**


WHEREAS, Windsor-Mount Joy Mutual Insurance Company, a foreign property and casualty insurance company (“Respondent”), NAIC No. 26166, has sought a rate increase by its rate filing number DE MD RULE FILING 1-2017; and

WHEREAS, the Delaware Department of Insurance (“Department”) has reviewed the foregoing filing pursuant to 18 *Del. C.* Ch. 25.

NOW THEREFORE, the Insurance Commissioner of the State of Delaware enters the following order pursuant to 18 *Del. C.* § 2507.

1. Respondent’s rate filing number DE MD RULE FILING 1-2017, dated November 15, 2016 and to become effective March 15, 2017, is found to be excessive and therefore does not meet the requirements of 18 *Del. C.* Ch. 25 generally and 18 *Del. C.* § 2503 specifically.
2. Respondent’s rate filing number referred to in Paragraph 1 above is disapproved, and Respondent is prohibited from increasing its rates beyond the rates in its currently approved filing.
3. Respondent is entitled to file a written request for a hearing pursuant to 18 *Del. C.* §§ 323 and 2507, which hearing will be scheduled within twenty (20) days after the Department’s actual receipt of a written request for hearing.

IT IS SO ORDERED this 13<sup>th</sup> day of March, 2017.

  
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Trinidad Navarro  
Insurance Commissioner