

claim's merits. In addition, Farmers instituted a goal to close a set percentage of claims without payment.

The Department orders:

- That Farmers eliminate all goals or incentive plans that utilize goals relating to settling claims within certain ranges in the evaluation of, determination of, compensation for, or the training of claims settlement persons. "Goals" means fixed targets and benchmarks which do not focus solely on the nature of the individual claims handled by the individual claims settlement personnel;
- That Farmers emphasize in training programs for newly hired claims settlement personnel the importance of evaluating each claim on its own merit and neither underpaying nor overpaying claims;
- That Farmers notify existing claims settlement personnel that the role of incentive programs is to reward exemplary performance and achievement of Farmers' goals, and that one of Farmers' goals is to pay the amount due on all claims as quickly, fairly and efficiently as possible.

"Farmers needed to reduce expenses and may have done so on the backs of their policyholders by requiring their adjustors to pay as little on claims as possible," Poolman said.

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