

***In re* ROYAL INDEMNITY COMPANY;)**
THE FIRE & CASUALTY INSURANCE)
COMPANY OF CONNECTICUT;)
CONNECTICUT INDEMNITY)
COMPANY; SECURITY INSURANCE)
COMPANY OF HARTFORD; ROYAL)
INSURANCE COMPANY OF AMERICA;)
SAFEGUARD INSURANCE COMPANY;) **CONSENT AGREEMENT**
AMERICAN AND FOREIGN)
INSURANCE COMPANY; GLOBE)
INDEMNITY COMPANY; and PHOENIX)
INSURANCE COMPANY OF NEW)
YORK)
)
)
Docket No. INS-03-401)

Royal Indemnity Company, The Fire & Casualty Insurance Company of Connecticut; Connecticut Indemnity Company; Security Insurance Company of Hartford, Royal Insurance Company of America, Safeguard Insurance Company, American and Foreign Insurance Company, Globe Indemnity Company, and Phoenix Insurance Company of New York (collectively, the “Royal & Sun Alliance Companies”); the Maine Superintendent of Insurance (the “Superintendent”); and the Maine Department of the Attorney General hereby enter into this Consent Agreement, pursuant to 10 M.R.S.A. § 8003(5)(B), to resolve, without an adjudicatory proceeding, issues arising out of the Royal & Sun Alliance Companies’ conduct under licenses issued by the Superintendent.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Royal Indemnity Company is domiciled in the State of Delaware and is authorized by the Superintendent to act as a workers’ compensation insurer in the State of Maine.
3. The Fire & Casualty Insurance Company of Connecticut is domiciled in the State of Connecticut and is authorized by the Superintendent to act as a workers’ compensation insurer in the State of Maine.
4. Connecticut Indemnity Company is domiciled in the State of Connecticut and is authorized by the Superintendent to act as a workers’ compensation insurer in the State of Maine.
5. Security Insurance Company of Hartford is domiciled in the State of Connecticut and is authorized by the Superintendent to act as a workers’ compensation insurer in the State of Maine.
6. Royal Insurance Company of America is domiciled in the State of Illinois and is authorized by the Superintendent to act as a workers’ compensation insurer in the State of Maine.

7. Safeguard Insurance Company is domiciled in the State of Connecticut and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.
8. American and Foreign Insurance Company is domiciled in the State of Delaware and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.
9. Globe Indemnity Company is domiciled in the State of Delaware and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.
10. Phoenix Insurance Company of New York is domiciled in the State of New Hampshire and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.
11. Pursuant to 24-A M.R.S.A. §§ 2382-B(2) and 2384-C, each workers' compensation insurer doing business in Maine must participate in a data collection system established for the purpose of evaluating the costs and operation of the workers' compensation benefit delivery process and must report its experience to the National Council on Compensation Insurance (NCCI), the statistical advisory organization designated by the Superintendent, in accordance with the uniform statistical plan established by NCCI and approved by the Superintendent.
12. One component of the approved statistical plan is the request for Detailed Claims Information (DCI), under which carriers are required to randomly select a specified percentage of indemnity claims arising each month and report additional information on these claims, in order to provide insight into the underlying elements driving the aggregate costs of workers' compensation insurance.
13. The Maine DCI reporting framework applies to claims effective January 1996 and after. NCCI records show 37 reported claims for Security Insurance Company of Hartford, almost all of which are from the single year 2000, and no claims for the other Royal & Sun Alliance Companies.
14. By its failure to conduct required data reporting, each respondent Royal & Sun Alliance company violated 24 A M.R.S.A. §§ 2382-B(2) and 2384-C.

Covenants

The Royal & Sun Alliance Companies, the Superintendent, and the Department of the Attorney General agree to the following:

15. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.
16. As respondents Globe Indemnity Company and Phoenix Insurance Company of New York wrote no Maine workers' compensation premium during the relevant time period, no civil penalty will be assessed against those companies. Pursuant to 24 A M.R.S.A. § 12-A, Security Insurance Company of Hartford agrees to pay a civil penalty of \$100 and each of the other six

respondent Royal & Sun Alliance Companies agrees to pay a civil penalty of \$600 for the violations admitted herein. A check for \$3700, payable to the Treasurer of the State of Maine, shall be submitted at the time of the execution of this Agreement.

17. The Royal & Sun Alliance Companies jointly agree to develop a DCI compliance plan acceptable to both NCCI and the Superintendent, including retroactive reporting to the extent feasible, and to submit a proposal within 20 days after the execution of this Agreement.

18. In consideration of the Royal & Sun Alliance Companies' execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil or administrative sanction for the actions described in the Stipulations, other than those agreed to in this Consent Agreement. However, should any Royal & Sun Alliance Company violate this Consent Agreement, the Superintendent reserves the right to pursue any available legal remedy for the violation, including without limitation the suspension or revocation of that company's certificate of authority to transact insurance in the State of Maine.

19. The parties to this Agreement understand that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

20. The Royal & Sun Alliance Companies understand and acknowledge that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.

21. The Royal & Sun Alliance Companies have been advised of their right to consult with counsel, and have consulted with counsel before executing this Agreement.

22. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

FOR THE ROYAL & SUN ALLIANCE COMPANIES

Dated:

(signature)

(printed name and title)

Personally appeared before me this day _____, and signed this Consent Agreement in my presence.

Notary Public

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated:

Thomas C. Sturtevant, Jr., AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent