

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

<b>IN THE MATTER OF:</b>	)	<b>DOCKET No. 15-017-I</b>
	)	
<b>CONCORD GENERAL MUTUAL</b>	)	
<b>INSURANCE COMPANY,</b>	)	
<b>NAIC No. 20672</b>	)	

**STIPULATION AND CONSENT ORDER**

The Insurance Division of the Vermont Department of Financial Regulation (“Department”) and Concord General Mutual Insurance Company (“Respondent”) stipulate and agree:

1. Pursuant to the authority in 8 V.S.A. §§ 10–13, 15, 18, and Chapters 101, 105, and 129 of Title 8, the Commissioner of the Department (“Commissioner”) is charged with enforcing the insurance laws of the State of Vermont.
2. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject-matter of this Stipulation and Consent Order set forth herein.
3. Pursuant to 8 V.S.A. § 3885, a violation of a provision of §§ 3879–3884 may subject the violator to an administrative penalty of \$2000.00 for each violation.
4. Respondent is an insurance company licensed to sell property and casualty insurance in Vermont since July 18, 1941.
5. Following an analysis of Respondent’s Market Conduct Annual Statements covering the period 2012 – 2014, the Department concludes that Respondent violated certain provisions set forth in 8 V.S.A. §§ 3879-3881, as follows:
  - a. The Department finds that in some instances Respondent issued notices of cancellations of insurance policies to policyholders in violation of the timeframe

required by 8 V.S.A. § 3879(b). With respect to these cancellations, Respondent made no claim that a substantial increase in hazard required the cancellation of the policy and request prior approval of the Commissioner for cancellation, as required by 8 V.S.A. § 3879(a)(3);

b. The Department finds that in some instances Respondent issued notices of cancellations of insurance policies to policyholders in violation of the timeframe required by 8 V.S.A. § 3880; and,

c. The Department finds that Respondent issued a notice of nonrenewal of an insurance policy to a policyholder in violation of the timeframe required by 8 V.S.A. § 3881.

6. Respondent wishes to resolve this matter instead of proceeding to a hearing by entering into this Stipulation and Consent Order with the Department on the terms and conditions set forth herein.
7. Respondent waives its right to a hearing before the Commissioner or the Commissioner's designee, in addition to waiving its right to all other procedures otherwise available under Vermont law, the rules of the Department, the provisions of Chapter 25 of Title 3 regarding contested cases, or any right it to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to the terms of this Stipulation and Consent Order.
8. Respondent acknowledges its understanding of all the terms, conditions, undertakings, and obligations contained in this Stipulation and Consent Order.
9. Respondent acknowledges that this Stipulation and Consent Order constitutes a valid order duly rendered by the Commissioner and agrees to be fully bound by it. Respondent acknowledges that noncompliance with any of the terms of this Order shall constitute a violation of a lawful order from the Commissioner and shall be a separate violation of the

laws of the State of Vermont and shall subject Respondent to administrative action or sanctions as the Commissioner deems appropriate. Respondent further acknowledges that the Commissioner retains jurisdiction over this matter for the purposes of enforcing this Stipulation and Consent Order.

10. The Department retains any rights it has to respond to and address any consumer complaints that may have been made with regards to Respondent and a transaction in insurance, as defined in 8 V.S.A. § 3301. This includes the right to pursue any remedy authorized by law in response to such complaints.
11. Nothing herein shall be construed as a waiver of any private right of action any person may have against Respondent.
12. Respondent certifies that the following corrective actions will be implemented within thirty (30) days by the Respondent in response to the Department's findings:
  - a. Respondent's underwriting staff will be trained and educated on the specifics of Vermont regulations;
  - b. Policy cancellations will be referred to a senior underwriter assigned by Respondent for prior approval to assure regulatory compliance; and,
  - c. Respondent shall seek the Commissioner's prior approval when Respondent claims a substantial increase in hazard requires the cancellation of a policy, as required by 8 V.S.A. § 3879(a)(3).

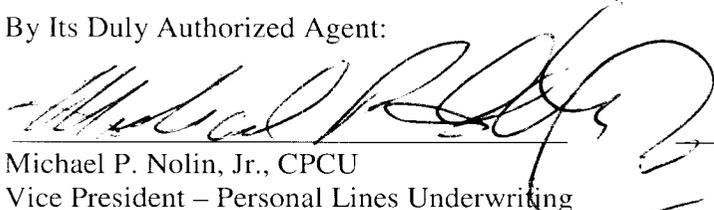
**THE DEPARTMENT AND RESPONDENT FURTHER STIPULATE AND AGREE:**

1. Respondent shall pay an administrative penalty in the amount Thirty-nine Thousand (\$39,000) Dollars within ten (10) business days of the execution of this Stipulation and Consent Order.

2. The Department and Respondent agree that this Stipulation and Consent Order resolves all matters which are the subject of this agreement through July 1, 2015.
3. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner of the Department, or her designated appointee.
4. Respondent acknowledges and agrees to enter this stipulation freely and voluntarily, and that except as set forth herein, no promise was made to induce the Respondent to enter into it. Respondent acknowledges that it understands all terms and obligations contained herein. Respondent acknowledges that it has consulted with its attorney in this matter and that it has reviewed this Stipulation and Consent Order and it understands all terms and obligations contained herein.
5. Respondent consents to the entry of this Stipulation and Consent Order and agrees to be fully bound by its terms and conditions. Respondent acknowledges that noncompliance with any of the terms of this Order may constitute a separate violation of the insurance laws of the State of Vermont and may subject it to sanctions.
6. The terms set forth in this Stipulation and Consent Order represents the complete agreement between the parties as to its subject matter.
7. The undersigned representative of Respondent affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

**CONCORD GENERAL MUTUAL INSURANCE COMPANY**

By Its Duly Authorized Agent:

  
Michael P. Nolin, Jr., CPCU  
Vice President – Personal Lines Underwriting

7/7/2015  
Date

STATE OF New Hampshire  
COUNTY OF Merrimack

On this 13<sup>th</sup> day of July, 2015 Michael P. Nolin, Jr. personally appeared before me and pursuant to a sworn oath subscribed to this Stipulation and Consent Order represented that he has full authority to execute, deliver and legally bind Respondent to this Stipulation and Consent Order.

Sheila J. Bartlett  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_  
**SHEILA J. BARTLETT**  
**Notary Public - New Hampshire**  
**My Commission Expires October 26, 2016**

ACCEPTED BY:

Kaj Samsom  
Kaj Samsom, Deputy Commissioner,  
Insurance Division, Vermont Department  
of Financial Regulation

Date: July 13, 2015

**CONSENT ORDER**

1. The stipulated facts, terms and provisions of the Stipulation are incorporated by reference herein.
2. Jurisdiction in this matter is established pursuant to 8 V.S.A. §§ 10-13, 15, 18, and Chapters 101 and 105 of Title 8 of Vermont law.
3. Pursuant to the Stipulation, Respondent consents to the entry of this Consent Order.
4. Respondent shall comply with all agreements, stipulations, and undertakings as recited above.
5. Nothing contained in this Order shall restrain or limit the Department in responding and addressing any consumer complaint about Respondent filed with the Department or shall preclude the Department from pursuing any other violation of law.

Entered at Montpelier, Vermont, this 13<sup>th</sup> day of July, 2015.

Susan L. Donegan  
Susan L. Donegan, Commissioner  
Vermont Department of ~~Insurance~~ Regulation

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