

ORDER # E15-128

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking and Insurance, State of New Jersey, to fine LM Insurance Corp., Ref. No. 7633600, Liberty Mutual Fire Insurance Co., Ref. No. 7623035, Liberty Mutual Mid-Atlantic Insurance Co., Ref. No. 7614486, Excelsior Insurance Co., Ref. No. 7611045, The Ohio Casualty Insurance Co., Ref. No. 7624074, West American Insurance Co., Ref. No. 7644393, and American Fire and Casualty Co., Ref. No. 7624066. )

CONSENT  
ORDER

TO: **LM Insurance Corporation**  
**Liberty Mutual Fire Insurance Co.**  
**Liberty Mutual Mid-Atlantic Insurance Co.**  
**Excelsior Insurance Co.**  
**The Ohio Casualty Insurance Co.**  
**West American Insurance Co.**  
**American Fire and Casualty Co.**

MAILING ADDRESS:

**175 Berkeley Street**  
**Boston, MA 02116**

This matter, having been opened by the Commissioner ("Commissioner") of the State of New Jersey Department of Banking and Insurance ("Department"), upon information that LM Insurance Corporation, Liberty Mutual Fire Insurance Co., Liberty Mutual Mid-Atlantic Insurance Co., Excelsior Insurance Co., The Ohio Casualty Insurance Co., West American Insurance Co., and American Fire and Casualty Co. (collectively "Respondents"), currently admitted to transact business in New Jersey as foreign property and casualty insurance companies pursuant to N.J.S.A. 17:32-1, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17:36-5.36a, no homeowner's insurance policy shall be issued, delivered, or renewed unless the policy is accompanied by, amongst other things, a one page summary of the policy, including notable coverages and exclusions under the policy, as determined by the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:2-41.3, insurers can provide the applicable one page summary included in the appendix to the rule or use their own one page summary, which shall be filed with the Department at least 30 days prior to its use; and

WHEREAS, pursuant to N.J.A.C. 11:2-41.4, the rule applies to all homeowner's insurance policies issued, delivered, or renewed on or after May 31, 2015; and

WHEREAS, in or around October of 2015 it was discovered that Respondents had not been supplying the required one page summary to homeowners, in violation of N.J.S.A. 17:36-5.36a, N.J.A.C. 11:2-41.3, and N.J.A.C. 11:2-41.4; and

WHEREAS, Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated fully with the investigation conducted by the Department; and
- 3) Have filed the one page summary with the Department; and
- 4) Have agreed to provide the appropriate one page summary to all policyholders who were issued new or renewal homeowner's policies since May 31, 2015, who were not provided with a one page summary; and

WHEREAS, cause does exist under N.J.S.A. 17:33-2 to impose a fine; and

WHEREAS, Respondents have waived their right to a hearing on the aforementioned violations and has consented to the payment of a fine in the amount of \$25,000.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations, and further good cause appearing; and

NOW, THEREFORE, IT IS on this 21<sup>ST</sup> day of December, 2015:

ORDERED AND AGREED that Respondents shall pay a fine in the amount of \$25,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, and shall be due and payable immediately upon execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine payment in the amount of \$25,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance  
ATTN: Virgil Downtin, Chief of Investigations  
9<sup>th</sup> Floor – Enforcement Unit  
P.O. Box 329  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED that in the event full payment of the fine is not made in accordance with this Order, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid amounts in summary proceedings, in accordance with the penalty enforcement law N.J.S.A. 2A:58-10 et seq.; and

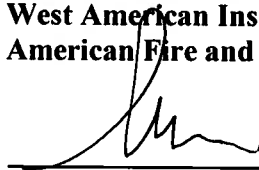
IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED that Respondents shall cease and desist from engaging in the Conduct that gave rise to this Consent Order.

  
Peter L. Hartt  
Director of Insurance

Consented to as to  
Form, Entry, and Content

**LM Insurance Corporation**  
**Liberty Mutual Fire Insurance Co.**  
**Liberty Mutual Mid-Atlantic Insurance Co.**  
**Excelsior Insurance Co.**  
**The Ohio Casualty Insurance Co.**  
**West American Insurance Co.**  
**American Fire and Casualty Co.**



SEBESTYEN MARTENS, REGULATORY COUNSEL  
(Print Name and Title)

Date: DECEMBER 16, 2015

*on this 16<sup>th</sup> day of December, 2015  
in Suffolk County  
Sebestyn Martens appeared before me  
Sarah N. Burke*

