

**IN RE: GUARANTEE TRUST
LIFE INSURANCE CO.**

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**CONSENT AGREEMENT
Docket No. INS 04-242**

This document is a Consent Agreement, authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among Guarantee Trust Life Insurance Company (hereafter also “Guarantee Trust Life”), the Superintendent of the Maine Bureau of Insurance (hereafter “the Superintendent”), and the Office of the Attorney General. Its purpose is to resolve, without resort to an adjudicatory proceeding, Guarantee Trust Life’s failure to file credit insurance experience reports for 2001, 2002 and 2003 as required by Insurance Rule Chapter 220, and its failure to respond to an inquiry from the Superintendent within 30 days pursuant to 24-A M.R.S.A. § 220(2).

FACTS

1. The Superintendent is the official charged with administering and enforcing Maine’s insurance laws and regulations.
2. Guarantee Trust Life is a Maine licensed life and health insurer, license # LHF191, NAIC # 64211.
3. Insurance Rule Chapter 220, Section 11(A) requires: *“Each insurer doing a credit life and/or credit accident and health insurance business in the State of Maine shall file annually, prior to June 1, reports of its credit life insurance and credit accident and health insurance experience in this State on forms prescribed by the Superintendent.”*
4. Guarantee Trust Life reported earned premium in Maine for credit life and credit accident and health insurance business to the National Association of Insurance Commissioners (NAIC) for the 2003 Credit Experience Report for the years 2001, 2002 and 2003.
5. Title 24-A M.R.S.A. § 220(2) provides: *“Response to inquiries. All insurers and other persons required to be licensed pursuant to this Title shall respond to all lawful inquiries of the superintendent that relate to resolution of consumer complaints involving the licensee within 14 days of receipt of the inquiry and to all other lawful inquiries of the superintendent within 30 days of receipt. If a substantive response can not in good faith be provided within the time period, the person required to respond shall so advise the superintendent and provide the reason for the inability to respond.”*
6. The Bureau sent a letter to Guarantee Trust Life dated October 27, 2004 requesting a written response within thirty (30) days, stating in part: *“Insurance Rule Chapter 220, requires each insurer doing credit insurance business in the state to file annually an experience report by June 1, on forms prescribed in Appendix A of the Rule. We do not have on file a report for the year ending 2003. Copies of the required forms are attached. Please contact us as soon as possible and indicate when these reports will be submitted. If you are not the correct contact person for these reports, please forward to the appropriate person.”*

7. As of December 17, 2004 the Bureau had not received a report of Guarantee Trust Life's credit life insurance and credit accident and health insurance experience in Maine for the years 2001, 2002 and 2003.

8. As of December 17, 2004 the Bureau had not received a substantive response to the October 27, 2004 letter to Guarantee Trust Life.

CONCLUSIONS OF LAW

9. Guarantee Trust Life failed to file credit insurance experience reports as required by Insurance Rule Chapter 220, Section 11(A) for the years 2001, 2002 and 2003.

10. Guarantee Trust Life failed to respond to the Superintendent's October 27, 2004 inquiry within thirty (30) days as required by 24-A M.R.S.A. § 220(2).

COVENANTS

11. A formal hearing in this matter is waived and no appeal will be made.

12. At the time of executing this Agreement, Guarantee Trust Life shall pay to the Maine Bureau of Insurance a civil penalty in the amount of Two Thousand Dollars and No Cents (\$2,000.00) payable to the Treasurer of the State of Maine.

13. Within thirty (30) days of the time of executing this Agreement, Guarantee Trust Life will file experience reports for 2001, 2002 and 2003 in the format prescribed by Appendix A of Insurance Rule Chapter 220.

14. In consideration of Guarantee Trust Life's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction for the specific violations described above other than those agreed to in this Agreement.

MISCELLANEOUS

15. This Consent Agreement may only be modified by the written consent of the parties.

16. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests of any person not a party to this Agreement.

17. Guarantee Trust Life acknowledges that this Agreement is a public record within the meaning of 1 M.R.S.A. § 402, that this Agreement will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and that this Agreement will be reported to the NAIC and included in the RIRS database.

18. Guarantee Trust Life has been advised of its right to consult with counsel and has, in fact, consulted with counsel before executing this Agreement.

19. Nothing herein shall prohibit the Superintendent from seeking an order to enforce this Agreement, or from seeking additional sanctions in the event that Guarantee Trust Life does not comply with the above terms, or in the event that the Superintendent receives evidence that further legal action is necessary.

Signature Page

Dated: _____, 2005

**GUARANTEE TRUST LIFE
INSURANCE COMPANY**

By: _____

Its: _____

Printed Name and Title

Subscribed and sworn to before me
this _____ day of _____, 2005.

Notary Public

Printed name

Date of commission expiration

Dated: _____, 2005

**MAINE OFFICE
OF THE ATTORNEY GENERAL**

Thomas C. Sturtevant
Assistant Attorney General

MAINE BUREAU OF INSURANCE

Dated: _____, 2005

Alessandro A. Iuppa
Superintendent of Insurance