

IN RE : FAIRFIELD INSURANCE]
COMPANY] **CONSENT AGREEMENT**
DOCKET NO. INS-05-231]

Fairfield Insurance Company (“Fairfield”), the Maine Superintendent of Insurance (the “Superintendent”), and the Maine Office 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 hearing, issues arising out of Fairfield’s failure to respond to inquiries of the Superintendent.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Fairfield is domiciled in the State of Connecticut and has been authorized by the Superintendent pursuant to 24 A M.R.S.A. § 414 to do business in the State of Maine as a workers’ compensation insurer.
3. Due to data processing errors by National Council on Compensation Insurance, Inc. (“NCCI”), the workers’ compensation advisory organization designated by the Superintendent pursuant to 24-A M.R.S.A. § 2382-B(2), pure premium calculations for certain business classifications were overstated for policy years 2003, 2004, and 2005, and policyholders whose rates were based upon those erroneous calculations were overcharged as a result. On June 10, 2005, the Superintendent issued an order requiring all insurers that issued or renewed Maine workers’ compensation policies on or after January 1, 2003 to take corrective action and to report information on affected policies to the Superintendent within 30 days after receiving documentation from NCCI. NCCI forwarded the Superintendent’s order to Fairfield.
4. Due to systems problems, Fairfield, as well as two of its affiliates that did not have impacted policies, did not provide the information requested by the Superintendent in a timely manner, and admits that its delay in responding is a violation of 24 A M.R.S.A. § 220(2).

Covenants

Fairfield, the Superintendent, and the Office of the Attorney General agree as follows:

5. 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.
6. Fairfield agrees to the imposition of a civil penalty of \$500, pursuant to 24 A M.R.S.A. § 12 A(1). A check for that amount, payable to the Treasurer of the State of Maine, shall be submitted at the time of the execution of this Agreement. Fairfield further warrants that it and its affiliates have responded accurately to the Superintendent’s information request.

7. In consideration of Fairfield's 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 Fairfield 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 Fairfield's certificate of authority to act as an insurer in the State of Maine.

8. 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.

9. Fairfield understands and acknowledges 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.

10. Fairfield has been advised of its right to consult with counsel, and has consulted with counsel before executing this Agreement.

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

FOR FAIRFIELD INSURANCE COMPANY

Dated:

(signature)

(printed name and title)

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

Notary Public

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated:

Thomas C. Sturtevant, Jr., AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent