

American International Pacific Ins. Co.
New Hampshire Indemnity Company Inc.

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CONSENT AGREEMENT
Docket No. MC INS 97-21

This document is a Consent Agreement, authorized by 5 M.R.S.A. § 9053(2) entered into by and among American International Pacific Insurance Company and New Hampshire Indemnity Company and the Staff of the Maine Bureau of Insurance. The purpose is to resolve, without resort to an adjudicatory proceeding, issues relative to the above insurers' privileges to maintain certificates of authority in the State of Maine.

STIPULATIONS

1. American International Pacific Insurance Company and New Hampshire Indemnity Company are authorized to transact insurance in the State of Maine.
2. The **Superintendent of Insurance** (hereinafter, "Superintendent") is the official charged with administering and enforcing Maine's insurance laws and regulations.
3. This proceeding arises as a result of a review by the Superintendent of Insurance of the activities of American International Pacific Insurance Company and New Hampshire Indemnity Company as their activities pertain to the sale of insurance products in the State of Maine. American International Pacific Insurance Company and New Hampshire Indemnity Company acknowledge that they unknowingly used unapproved rates in violation of Title 24-A MRSA §§ 2304-A and 2316 as follows:
 - a. On or about February 1, 1997, and until April 14, 1997 American International Pacific Insurance Company and New Hampshire Indemnity Company, inadvertently implemented private passenger rate increases.
 - b. American International Pacific Insurance Company and New Hampshire Indemnity Company rate and rule revision form filings PA-ME-9750 and PA-ME-9751 were not approved by the Bureau of Insurance at that time.

COVENANTS

4. American International Pacific Insurance Company and New Hampshire Indemnity Company and the Staff of the Maine Bureau of Insurance agree to the following:
 - a. The Superintendent may issue a **Consent Order** in this matter in the form agreed to upon by the parties. (A copy is attached);
 - b. A formal hearing in this matter is waived and no appeal will be made;
 - c. American International Pacific Insurance Company and New Hampshire Indemnity Company agree to jointly pay a penalty in the amount of \$10,000 (ten thousand dollars),

made payable to the Treasurer of the State of Maine, within fourteen days from the effective date of the Consent Order; and

- d. American International Pacific Insurance Company and New Hampshire Indemnity Company have provided restitution to 1,113 policyholders in the amount of \$26,645.00.
- e. The ***Consent Order*** shall be final upon execution by the Superintendent and conclusive between the parties as to all matters which were subject of the investigation.

MISCELLANEOUS

5. American International Pacific Insurance Company and New Hampshire Indemnity Company understands and acknowledge that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402 and will be available for public inspection and copying as provided for in 1 M.R.S.A. § 408.

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

Dated:

Thomas M. Flaherty, President
New Hampshire Indemnity Company Inc.

Subscribed to before me this _____ day of _____, 1997.

Notary Public

Dated:

David J. Walsh, General Counsel
American International Pacific Insurance Co.

Subscribed to before me this _____ day of _____, 1997.

Notary Public

Dated:

Kathryn Davis
Staff Attorney
Maine Bureau of Insurance

Dated:

Judith Chamberlain
Assistant Attorney General

In Re:

**AMERICAN INTERNATIONAL PACIFIC
INSURANCE COMPANY AND
NEW HAMPSHIRE INDEMNITY
COMPANY, INC.**

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) **STATE OF MAINE**
) **BUREAU OF INSURANCE**
)
) **Docket No. MC INS 97-21**
)
) **CONSENT ORDER**

This proceeding arises as a result of a review of the activities of American International Pacific Insurance Company and New Hampshire Indemnity Company, Inc. by the Maine Bureau of Insurance. The parties have entered into a *Consent Agreement* with the intent of resolving this matter without resort to a hearing.

Having reviewed the *Consent Agreement* of the parties to this proceeding, the Superintendent hereby accepts the *Agreement* as a basis for the within **Consent Order**. A copy of said *Agreement* is attached and incorporated by reference. The Superintendent finds that American International Pacific Insurance Company and New Hampshire Indemnity Company, Inc. engaged in the conduct described in the Consent Agreement in violation of Title 24-A M.R.S.A. §§ 2304-A and 2316.

IT IS HEREBY ORDERED that American International Pacific Insurance Company and New Hampshire Indemnity Company, Inc., insurers authorized to do business in Maine, are subject to the following disciplinary action:

1. American International Pacific Insurance Company and New Hampshire Indemnity Company, Inc. jointly will pay a penalty in the amount of \$10,000 (ten thousand dollars) to the Maine Bureau of Insurance, made payable to the Treasurer of the State of Maine, within fourteen days from the effective date of this **Consent Order**.
2. American International Pacific Insurance Company and New Hampshire Indemnity Company have provided restitution to 1,113 policyholders in the amount of \$26,645.00.
3. **Nothing herein shall affect any rights or interest that any person not a party to this proceeding may possess.**

PER ORDER OF THE SUPERINTENDENT, THE EFFECTIVE DATE OF THIS ORDER IS _____.

Dated:

ALESSANDRO A. IUPPA
Superintendent of Insurance