

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE

IN RE:

APPEAL OF DISAPPROVED RATE  
FILINGS BY PROGRESSIVE CASUALTY  
INSURANCE COMPANY, PROGRESSIVE  
NORTHWESTERN INSURANCE  
COMPANY, PROGRESSIVE NORTHERN  
INSURANCE COMPANY, AND UNITED  
FINANCIAL CASUALTY COMPANY

Docket No. INS-15-1001

**NOTICE OF PENDING  
PROCEEDING**

Eric A. Cioppa, Superintendent of the Maine Bureau of Insurance, issues this Notice of Pending Proceeding in the above-captioned matter.

I. BACKGROUND

On June 15, 2015, Progressive Casualty Insurance Company, Progressive Northwestern Insurance Company, Progressive Northern Insurance Company, and United Financial Casualty Company (collectively, the "Insurers") made two filings seeking approval of revised rates for their private passenger automobile insurance products to be effective July 15, 2015. The filings were as follows:

1. 201502 ME PCIC PNWIC PNIC for Progressive Casualty Insurance Company, Progressive Northwestern Insurance Company, and Progressive Northern Insurance Company (the "Progressive Companies").
2. 201502 ME UFCC for United Financial Casualty Company ("United").

The Insurers identified the number of affected policyholders subject to these rate filings as follows:

Progressive Companies	38,261
United	<u>27,070</u>
	65,331

On July 10, 2015, the Superintendent, through Bureau staff, disapproved each of the rate filings on the basis that the proposed "driver classification factors" for drivers over the age of 65 appearing in Exhibit 1C of the filings violated section 2916 of the Insurance Code, which states:

No insurance company authorized to transact business in this State shall cancel, reduce liability limits, refuse to renew or increase the premium of any automobile

insurance policy of any kind whatsoever for the sole reason that the person to whom such policy has been issued has reached a certain age.

24-A M.R.S. § 2916. In other words, violating the statutory requirement that the premium for a personal automobile insurance policy may not increase for the sole reason of a person's age.

## II. APPEAL OF RATE FILING DISAPPROVAL

On August 4, 2015, the Insurers filed an Amended Notice of Appeal with the Superintendent challenging the July 10 disapproval of the above-referenced rate filings. As stated in their Amended Notice, the appeal is of the disapproval of the rate filings on the grounds of violating the requirements of 24-A M.R.S. § 2916 by increasing rates for drivers over age 65.

Authority for this administrative adjudication is as provided for by 24-A M.R.S. § 229, wherein the Superintendent hereby finds that the Insurers would be aggrieved by the July 10 rate filing disapprovals if their grounds are established, and that this adjudication therefore is justified.

## III. PENDING PROCEEDING

Pursuant to 5 M.R.S. § 9052, 24-A M.R.S. § 230, and Bureau of Insurance Rule chapter 350, the Superintendent hereby gives notice of the Insurers' appeal and the commencement of this administrative proceeding.

Unless disposed of in an alternate manner (*see* 5 M.R.S. § 9053(4)), the Superintendent will hold a public hearing in this matter. The date, time, and location of such hearing, if any, will be set by separate notice of the Superintendent.

## IV. PURPOSE

The purpose of this proceeding is for the Superintendent to consider the Insurer's appeal of the disapproval of their rate filings on the basis that the proposed rates violated the provisions of 24-A M.R.S. § 2916.

## III. PARTIES; INTERVENTION

The Insurers are designated parties to this proceeding. In addition, per the authority under 5 M.R.S. § 9054(5), the Superintendent hereby establishes a separate Bureau Staff Advocacy Panel to appear and participate independently from the Superintendent in this proceeding. *See also* Insurance Rule Chapter 350(13)(D). The Bureau Staff Advocacy Panel will act under the direction of Deputy Superintendent Timothy Schott. The prohibitions on *ex parte* communications shall equally apply to the Bureau Staff Advocacy Panel as they do to parties to the proceeding. *See* 5 M.R.S. § 9055.

Any other person wishing to intervene as a party in this proceeding shall file an application in writing with the Superintendent no later than September 11, 2015. Applicants should either hand deliver their intervention applications to the attention of Karma Lombard at the offices of the Bureau of Insurance, 76 Northern Avenue, Gardiner, Maine or mail them to the Superintendent at the following address:

Eric Cioppa, Superintendent  
Attn: Karma Lombard  
Docket No. INS-15-1001  
Bureau of Insurance  
Maine Department of Professional and Financial Regulation  
#34 State House Station  
Augusta, Maine 04333-0034

The Superintendent will grant late intervention applications only upon a compelling demonstration of good cause. Persons should seek intervention only if they are willing to undertake the responsibilities placed upon parties to an adjudicatory proceeding under Maine law and Insurance Rule Chapter 350.

An applicant claiming intervention as of right pursuant to 5 M.R.S. § 9054(1) shall include in the application a statement either explaining how the applicant is or may be, or is a member of a class that is or may be, substantially and directly affected by the proceeding or identifying the applicant as an agency of federal, state, or local government. Applications for permissive intervention pursuant to 5 M.R.S. § 9054(2) shall contain a statement explaining and substantiating the applicant's interest in the proceeding.

Any party that opposes an application for intervention shall file a statement in opposition with the Superintendent no later than September 18, 2015. The Superintendent in his discretion may rule on an intervention application at any time, without waiting for any statements in opposition.

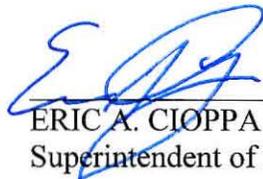
#### IV. PROCEDURE

The Superintendent will conduct the proceeding and any hearing in accordance with the provisions of the Maine Administrative Procedure Act, 5 M.R.S. chapter 375, subchapter 4; 24-A M.R.S. §§ 229 to 236; Bureau of Insurance Rule chapter 350; and any rulings of the Superintendent. All parties to the proceeding have the right to present evidence and witnesses at any hearing and have the right to be represented by counsel. Failure of any party to appear may result in disposition by default with respect to that party. The Superintendent, however, may set aside a default for good cause.

The Department of Professional and Financial Regulation does not discriminate on the basis of disability in the admission to, access to, or operation of its programs, services, or activities. Individuals in need of auxiliary aid for effective communication at any hearing are

invited to make their needs and preference known to Karma Lombard at the Bureau of Insurance, telephone 207-624-8540, sufficiently in advance of such hearing so that appropriate arrangements can be made.

August 28, 2015



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ERIC A. CIOPPA  
Superintendent of Insurance