

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

IN RE:)
)
REQUEST FOR APPROVAL OF)
AGREEMENT AND PLAN OF MERGER)
BETWEEN DANVILLE MUTUAL FIRE) **NOTICE OF HEARING**
INSURANCE COMPANY AND NORTH)
YARMOUTH-CUMBERLAND MUTUAL)
FIRE INSURANCE COMPANY)
)
Docket No. INS-13-402)

Timothy Schott, Deputy Superintendent of Insurance, issues this Notice of Hearing in the above-captioned matter.¹

I. FILING

Danville Mutual Fire Insurance Company (“Danville”) and North Yarmouth-Cumberland Mutual Fire Insurance Company (“North Yarmouth-Cumberland” and, together with Danville, the “Applicants”) have filed for the approval of an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to the provisions of 24-A M.R.S. § 3478. By the proposed Merger Agreement, Danville would merge with and into North Yarmouth-Cumberland, with Danville being dissolved upon the effectuation of the merger and North Yarmouth-Cumberland being the surviving insurer. All assets of Danville would be folded into North Yarmouth-Cumberland. There is no monetary consideration for the merger. The Board of Directors of both Danville and North Yarmouth-Cumberland have approved the merger.

Danville is a Maine-domiciled fire assessment company that issues fire and lightning policies in Maine. It currently has 12 policyholders. North Yarmouth-Cumberland is a Maine-domiciled fire assessment company that issues fire and lightning policies in Maine. It currently has approximately 70 policyholders. The proposed Merger Agreement provides that all policyholders of Danville would become policyholders of North Yarmouth-Cumberland, and would have the same rights and privileges with the surviving insurer—North Yarmouth-Cumberland—as they did in the non-surviving insurer—Danville.

II. PUBLIC HEARING

Pursuant to the authority granted in 24-A M.R.S. § 229 and the requirements of 24-A M.R.S. § 230, 5 M.R.S. § 9052, and Insurance Rule Chapter 350, Deputy Superintendent Schott hereby gives notice that a public hearing will be held in the above-captioned matter at 9 a.m. on March 21, 2014, in the Kennebec Room, Maine Department of Professional and Financial

¹ Pursuant to 24-A M.R.S. §§ 210 and 231(1), Superintendent Eric Cioppa has delegated all legal authority for the procedural processing and decisionmaking in this proceeding to Deputy Superintendent Schott.

Regulation, 76 Northern Avenue, Gardiner, Maine. Members of the public are invited to attend the hearing.

III. HEARING OBJECTIVE

The purpose of the hearing is to consider the Applicant's filing and proposed Merger Agreement. Pursuant to the provisions of 24-A M.R.S. § 3478, the Deputy Superintendent shall approve the Merger Agreement unless he finds that it:

- A. Is contrary to law; or
- B. Is inequitable to the policyholders of either Danville or North Yarmouth–Cumberland; or
- C. Would substantially reduce the security of and service to be rendered to policyholders of either Danville or North Yarmouth–Cumberland; or
- D. Would materially tend to lessen competition in the insurance business in this State or elsewhere as to the kinds of insurance involved, or would materially tend to create a monopoly as to such business; or
- E. Is subject to other material and reasonable objections.

See 24-A M.R.S. § 3480. *See also* 24-A M.R.S. § 222(4-C) and its incorporated statutory requirements, including but not limited to § 222(7).

IV. INTERVENTION

At this time, the parties to the proceeding are Danville and North Yarmouth–Cumberland. Persons wishing to intervene as parties in this proceeding shall file their applications in writing with the Deputy Superintendent no later than 4 p.m. on February 21, 2014. Applicants should either hand deliver their applications to the Deputy Superintendent at the offices of the Bureau of Insurance, 76 Northern Avenue, Gardiner, Maine or mail them to the Deputy Superintendent at the following address:

Timothy Schott, Deputy Superintendent
Attn: Elena Crowley
Docket No. INS-13-402
Bureau of Insurance
Maine Department of Professional and Financial Regulation
#34 State House Station
Augusta, Maine 04333-0034

Only those persons willing to undertake the responsibilities placed upon parties to an adjudicatory proceeding under Insurance Rule Chapter 350 should seek intervenor status.

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. The Deputy Superintendent will not grant late applications without a showing of good cause.

A person need not intervene in order to testify at the hearing. Members of the public, including persons who have not obtained approval to intervene as parties in this proceeding, may make unsworn statements or testify under oath at the hearing. Persons who present testimony under oath are subject to questioning by the parties and the Deputy Superintendent. The Deputy Superintendent, as a basis for his decision in this proceeding, may rely upon only that testimony that has been presented under oath.

Any party that opposes an application for intervention shall file a statement in opposition to the application with the Deputy Superintendent by 4 p.m. on February 25, 2014. The Superintendent in his discretion may rule on intervention applications at any time, without having to wait for the expiration of the opposition to intervention deadline.

V. DISCOVERY

Upon being designated or granted party status in this proceeding by the Deputy Superintendent, a party may immediately commence the issuance of information requests. Discovery in this proceeding shall be as provided for by Insurance Rule Chapter 350(10), subject to modification by further order of the Deputy Superintendent.

VI. HEARING PROCEDURE

The Deputy Superintendent will conduct this proceeding in accordance with the provisions of the Maine Administrative Procedure Act, 5 M.R.S. ch. 375, subchapter IV, 24-A M.R.S. §§ 229 to 236, and Insurance Rule Chapter 350. All parties to this proceeding have the right to present evidence and witnesses at the 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 Deputy 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 the hearing are invited to make their needs and preference known to Elena Crowley at the Bureau of Insurance, telephone 207-624-8421, sufficiently in advance of the hearing so that appropriate arrangements can be made.

February 3, 2014


TIMOTHY N. SCHOTT, Deputy Superintendent