

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

IN RE:

Great Lakes Insurance SE
ME License No. SLF84561

Docket No. INS-22-208

**CONSENT AGREEMENT
AND ORDER**

Great Lakes Insurance SE (“GLISE” or “the Company”), the Superintendent of the Maine Bureau of Insurance (“the Superintendent”), and the Office of the Maine Attorney General (“the Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code. As set forth in more detail below, GLISE violated the Code when it sent out notices of nonrenewal that did not comply with 24-A M.R.S. § 3051.

APPLICABLE LAW

1. Under 24-A M.R.S. § 12-A, the Superintendent may assess civil penalties, issue a cease and desist order, or take any combination of these and other actions listed within this section against any person who violates any law enforced by the Superintendent; any rule lawfully adopted by the Superintendent; or any lawful order of the Superintendent.
2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve an investigation without further proceedings by entering into a consent agreement with a licensee and with the consent of the Attorney General.
3. Pursuant to 24-A M.R.S. § 3051, a notice of nonrenewal of a homeowners policy may only issue for a good faith reason related to the insurability of the property or based upon a ground for cancellation pursuant to § 3049. “Explanations such as ‘underwriting reasons,’ ‘underwriting experience,’ ‘loss record,’ ‘location of risk,’ ‘credit report’ and similar insurance terms are not by themselves acceptable explanations of an insurer’s intended nonrenewal of a policy insuring property of the kind defined in section 3048.”
4. Section 3051 also requires a notice of nonrenewal to include a “notification of the right to apply for a hearing before the superintendent within 30 days as provided.”

STATEMENT OF FACTS

5. In July of 2022, the Maine Bureau of Insurance learned that GLISE was in the process of nonrenewing certain of its surplus lines Maine homeowners policies.
6. With respect to consumers who had coverage under J&J 3400 policies, the reason provided for the nonrenewal in the notices was:
Reason for Non-Renewal: The risk is being non-renewed due to company guideline change.
7. These nonrenewal notices also failed to include a notification of the right to apply for a hearing before the superintendent within 30 days of the notice date.
8. GLISE confirmed that it had intended to send these notices to 26 Maine policyholders.
9. GLISE reported that it provided substitute coverage for two consumers who received improper notices, it rescinded six improper notices, and it stopped twelve improper notices before they were sent.
10. Six Maine homeowners policies were nonrenewed in violation of Maine law.
11. With respect to consumers who had coverage under J&J 3903 policies and J&J 3105 policies, GLISE issued nonrenewal notices that failed to notify policyholders of the right to apply for a hearing before the superintendent within 30 days of the notice date.
12. GLISE issued these notices to seven Maine policyholders in violation of Maine law.
13. GLISE acknowledged that its notices were deficient for failing to advise of the hearing right and for using a reason for nonrenewal that is not permitted under the Maine Insurance Code.

VIOLATIONS OF LAW

14. As set forth in paragraphs five (5) through thirteen (13), GLISE violated 24-A M.R.S. § 3051 by issuing improper nonrenewal notices to Maine consumers.

COVENANTS

15. GLISE agrees to the Statement of Facts and Violations of Law and agrees that it is subject to disciplinary action.
16. GLISE accepts as disciplinary action the imposition of a civil penalty in the amount of twenty thousand dollars (\$20,000). No later than sixty (60) days after executing this Consent Agreement, GLISE will remit to the Maine Bureau of Insurance a company check in the amount of twenty thousand dollars (\$20,000) payable to the Treasurer of the State of Maine.

17. This Consent Agreement is not subject to appeal. GLISE waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
18. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 211.
19. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
20. The effective date of this Consent Agreement is the date of the Superintendent's signature hereto.
21. This Consent Agreement may be modified only by a written agreement executed by all the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
22. This Consent Agreement is a public record as that term is defined by 1 M.R.S. § 402(3). It is subject to the provisions of the Maine Freedom of Access Act, 1 M.R.S. §§ 401 through 410, and it will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A.
23. This Consent Agreement is also an adverse action and will be reported to the Regulatory Information Retrieval System ("RIRS") database at the National Association of Insurance Commissioners ("NAIC").
24. Nothing in this Consent Agreement shall be construed to affect any right or interest of any person not a party hereto.
25. Terms of this Consent Agreement constitute the entire agreement between and among the parties.
26. If any provision of this Consent Agreement is for any reason determined to be invalid, the effectiveness and enforceability of all other provisions of the Consent Agreement shall not be affected by such determination.
27. This Consent Agreement may be signed in counterparts, with all counterparts together constituting one original instrument.
28. By the duly-authorized signature of its representative on this Consent Agreement, GLISE warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.

29. As consideration for the Company's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions for the specific conduct described above in this Consent Agreement. However, should the Company fail to comply with any term or condition of this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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GREAT LAKES INSURANCE SE

Dated: 22nd November 2022



Stéphane Deutscher (Nov 22, 2022 11:33 GMT+1)

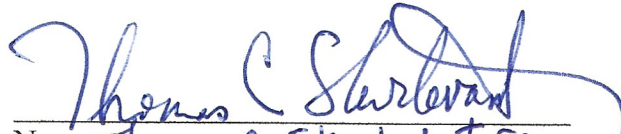


Name: Stéphane Deutscher
Title: COO

Dr. Tim Horak
Compliance Officer

FOR THE OFFICE OF THE ATTORNEY GENERAL

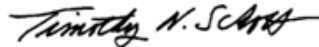
Dated: November 28, 2022



Name: Thomas C. Sturtevant, Jr.
Assistant Attorney General

THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE

Dated: November 28, 2022



Timothy N. Schott
Acting Superintendent