

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

IN RE:

Pharmacists Mutual Insurance Company
NAIC Cocode: 13714
ME License No. PCF87118

Docket No. INS-25-200

**CONSENT AGREEMENT
AND ORDER**

Pharmacists Mutual Insurance Company ("Pharmacists Mutual" 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, Pharmacists Mutual violated the Code when it sent a notice of nonrenewal that did not comply with 24-A M.R.S. § 3051 and that was sent without a withdrawal plan in place as required by 24-A M.R.S. § 3055-A.

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. § 3055-A, the Superintendent may authorize nonrenewal of policies in a line of business being discontinued if "the plan filed by the insurer demonstrates the availability of substantially similar coverage in the admitted market."
4. 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."

STATEMENT OF FACTS

5. On January 18, 2023, Pharmacists Mutual, filed a withdrawal plan (SERFF #PHAR-133526180) for the Superintendent's review that expressed its intent to discontinue personal lines business in Maine as part of a nationwide plan to withdraw its home, automobile and umbrella policies from the market.
6. The Bureau's form reviewer directed the Company to the attorney for the Bureau's property and casualty division to discuss the requirements set forth in 24-A M.R.S. § 3055-A.
7. Those discussions focused on how Pharmacists Mutual could demonstrate "the availability of substantially similar coverage in the admitted market" for the four (4) impacted Maine homeowners as required under section 3055-A.
8. The Bureau attorney also explained that, under Maine's Property Insurance Cancellation and Control Act, "nonrenewals are only allowed for a good faith reason related to the insurability to[sic] the property. An explanation such as "underwriting reasons" would not be a satisfactory reason to nonrenew a property."
9. On May 16, 2023, Pharmacists Mutual confirmed it would withdraw its filed withdrawal plan stating "[a]s mentioned, with numbers of policyholders in the low single digits, the amount of extra effort to get this through isn't worth it at this time."
10. Pharmacists Mutual withdrew its filed withdrawal plan on May 24, 2023.
11. On August 27, 2024, Pharmacists Mutual filed a new withdrawal plan (PHAR-134227561) that expressed its intent to discontinue its homeowners business in Maine.
12. On September 13, 2024, Pharmacists Mutual sent a message to the Bureau in connection with this filing. The Company explained that, prior to filing its withdrawal plan, it had helped three Maine policyholders find other coverage and nonrenewed one Maine policyholder's coverage. It provided a copy of the nonrenewal notice.
13. The nonrenewal notice, dated October 17, 2023, stated the policy would not be renewed upon its expiration on January 24, 2024.
14. The October 17th notice stated in relevant part, "[t]he reason for nonrenewal is Pharmacists Mutual Insurance Company is no longer writing personal lines insurance."
15. The notice contained no other reasons related to the insurability of the property as required by 24-A M.R.S. § 3051.

VIOLATIONS OF LAW

16. As set forth in paragraphs five (5) through fifteen (15), Pharmacists Mutual violated 24-A M.R.S. § 3055-A by discontinuing its homeowners business in Maine without an approved withdrawal plan.
17. As set forth in paragraphs twelve (12) through fifteen (15), Pharmacists Mutual violated 24-A M.R.S. § 3051 by issuing an improper nonrenewal notice to a Maine consumer.

COVENANTS


18. Pharmacists Mutual agrees to the Statement of Facts and Violations of Law and agrees that it is subject to disciplinary action.
19. In connection with this disciplinary action, Pharmacists Mutual will pay a civil penalty in the amount of five thousand dollars (\$5,000). No later than sixty (60) days after executing this Consent Agreement, Pharmacists Mutual will remit to the Maine Bureau of Insurance a company check in the amount of five thousand dollars (\$5,000) payable to the Treasurer of the State of Maine.
20. This Consent Agreement is not subject to appeal. Pharmacists Mutual waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
21. 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.
22. 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.
23. The effective date of this Consent Agreement is the date of the Superintendent's signature hereto.
24. 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.
25. 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.
26. 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").

27. Nothing in this Consent Agreement shall be construed to affect any right or interest of any person not a party hereto.
28. Terms of this Consent Agreement constitute the entire agreement between and among the parties.
29. 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.
30. This Consent Agreement may be signed in counterparts, with all counterparts together constituting one original instrument.
31. By the duly-authorized signature of its representative on this Consent Agreement, Pharmacists Mutual 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.
32. 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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PHARMACISTS MUTUAL INSURANCE COMPANY

Dated: May 7, 2025, 2025


Name: Steven Courtney
Title: Asst. Secretary

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: May 19, 2025


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

THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE

Dated: May 21, 2025


Robert L. Carey
Superintendent