

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION

IN THE MATTER OF:)

PHENIX MUTUAL FIRE INSURANCE)
COMPANY (NAIC #23175))

) DOCKET NO. 16-008-I

STIPULATION AND CONSENT ORDER

The Insurance Division of the Vermont Department of Financial Regulation (“Department”) and Phenix Mutual Fire Insurance Company (“Respondent”) stipulate and agree:

1. Pursuant to the authority in 8 V.S.A. §§ 10-13, 15, 18, and Chapters 101, 105, and 129 of Title 8, the Commissioner of the Department (“Commissioner”) is charged with enforcing the insurance laws of the State of Vermont.
2. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
3. Pursuant to 8 V.S.A. § 3885, a violation of a provision of §§ 3879-3884 may subject the violator to an administrative penalty of \$2,000 for each violation.
4. Respondent insurance company is licensed to sell fire and casualty insurance in Vermont. Respondent is located at 42 Pleasant Street, Concord, New Hampshire 03301.
5. Following an analysis of Respondent’s Market Conduct Annual Statements covering the period 2013-2014, the Department concludes that Respondent violated certain provisions set forth in 8 V.S.A. §§ 3879-3881. Specifically, the Department finds that in six instances Respondent issued notices of cancellations of insurance policies

- to policyholders in violation of 8 V.S.A. § 3879(a)(3). With respect to these cancellations, Respondent did not make a claim that a substantial increase in hazard required the cancellation of the policy and request prior approval of the Commissioner for cancellation, as required by 8 V.S.A. § 3879(a)(3).
6. Respondent has been made aware that the Department may proceed with an administrative action against it for the violations set forth herein seeking appropriate relief pursuant to the Department's statutory authority.
 7. Respondent wishes to resolve this matter instead of proceeding to a hearing by entering into this Stipulation and Consent Order with the Department on the terms and conditions set forth herein.
 8. Respondent waives their right to a hearing before the Commissioner or the Commissioner's designee, in addition to waiving their rights to all other procedures otherwise available under Vermont law, the rules of the Department, the provisions of Chapter 25 of Title 3 regarding contested cases, or any right to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to the terms of this Stipulation and Consent Order.
 9. Respondent acknowledges their understanding of all the terms, conditions, undertakings, and obligations contained in this Stipulation and Consent Order.
 10. Respondent acknowledges that this Stipulation and Consent Order constitutes a valid order duly rendered by the Commissioner and agree to be fully bound by it.

Respondent acknowledges that noncompliance with any of the terms of this Order shall constitute a violation of a lawful order from the Commissioner and shall be a separate violation of the laws of the State of Vermont and shall subject Respondent to

administrative action or sanctions as the Commissioner deems appropriate.

Respondent further acknowledges that the Commissioner retains jurisdiction over this matter for the purposes of enforcing this Stipulation and Consent Order.

11. The Department retains any rights it has to respond to and address any consumer complaints that may have been made with regards to Respondent and a transaction in insurance, as defined in 8 V.S.A. § 3301. This includes the right to pursue any remedy authorized by law in response to such complaints.
12. Nothing herein shall be construed as a waiver of any private right of action any person may have against Respondent.
13. Respondent certifies that the following corrective actions will be implemented within thirty (30) days by the Respondent in response to the Department's findings:
 - a. Respondent's underwriting staff will be trained and educated on the specifics of Vermont regulations;
 - b. Policy cancellations will be referred to a department manager assigned by Respondent for prior approval to assure regulatory compliance; and,
 - c. Respondent shall seek the Commissioner's prior approval when Respondent claims a substantial increase in hazard requires the cancellation of a policy, as required by 8 V.S.A. § 3879(a)(3).

THE DEPARTMENT AND RESPONDENTS FURTHER STIPULATE AND AGREE:

1. Respondent shall pay an administrative penalty of Six (\$6,000) Thousand Dollars within ten (10) business days of the execution of this Stipulation and Consent Order.
2. Respondent hereby waives their statutory right to notice and a hearing before the Commissioner of the Department, or her designated appointee.

3. Respondent acknowledges and agrees to enter into this stipulation freely and voluntarily, and that except as set forth herein, no promise was made to induce the Respondent to enter into it. Respondent acknowledges that it understands all terms and obligations contained herein. Respondent acknowledges that they have consulted with their attorney in this matter and that they have reviewed this Stipulation and Consent Order and understand all terms and obligations contained herein.
4. Respondent consents to the entry of this Stipulation and Consent Order and agree to be fully bound by its terms and conditions. Respondent acknowledges that noncompliance with any of the terms of this Order may constitute a separate violation of the insurance laws of the State of Vermont and may subject it to sanctions.
5. The terms set forth in this Stipulation and Consent Order represents the complete agreement between the parties as to its subject matter.
6. The undersigned representative of Respondent affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

PHENIX MUTUAL FIRE INSURANCE COMPANY
By Their Duly Authorized Agent:



January 21, 2016

Print name: STEVEN E. MANTEVEL

Title: PRESIDENT

STATE OF Ohio
COUNTY OF Franklin

On this 21st day of January, 2016 Steven E. Mantefel personally appeared before me and pursuant to a sworn oath subscribed to this Stipulation and Consent Order represented that he or she has full authority to execute, deliver and legally bind Respondent to this Stipulation and Consent Order.

Kay M. Powell
NOTARY PUBLIC



KAY M. POWELL
Notary Public, State of Ohio
My Commission Expires
10-22-17

My commission expires: Oct 22, 2017

ACCEPTED BY:

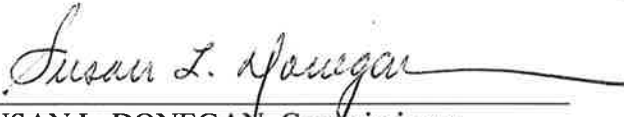
[Signature]
Kaj Samsom, Deputy Commissioner,
Insurance Division, Vermont Department
of Financial Regulation

Date: 1/29/16

CONSENT ORDER

1. The stipulated facts, terms and provisions of the Stipulation are incorporated by reference herein.
2. Jurisdiction in this matter is established pursuant to Chapters 101, 129, and 131 of Title 8 of Vermont law.
3. Pursuant to the Stipulation, Respondent consents to the entry of this Consent Order.
4. Respondent shall comply with all agreements, stipulations, and undertakings as recited above.
5. Nothing contained in this Order shall restrain or limit the Department in responding and addressing any consumer complaint about Respondent filed with the Department or shall preclude the Department from pursuing any other violation of law.

Entered at Montpelier, Vermont, this 29th day of January, 2016.



SUSAN L. DONEGAN, Commissioner
Vermont Department of Financial Regulation