

Vermont Insurance Division

BULLETIN 30: Legal Actions Involving Other Insurance Departments

March 19, 1975

Pursuant to V.S.A. 3561 and 3562, I am requesting that all insurance companies doing business in Vermont maintain a list, in accordance with the format at the end of this Bulletin, of the following actions by the insurance department of any other state against the insurance company or by the insurance company against the insurance department of any other state, which involves any allegation of violation of law or regulation, and which results in any of the following dispositions:

- 1) Issuance of a court order or court adjudication, including a dismissal;
- 2) Issuance by an insurance department of an order requiring the insurance company to cease and desist from engaging in a specified act or practice;
- 3) Imposition of a fine or penalty;
- 4) Execution of a consent order, stipulation or formal agreement containing
 - a) an admission of violation of law;
 - b) a formal order or agreement to cease and desist from engaging in any specified act or practice; or
 - c) a fine or penalty;
- 5) Revocation or suspension of a company license;
- 6) Company conservatorship;
- 7) Removal of a policy form; or
- 8) Formal hearing by an insurance department.

Actions resulting in dispositions under items 5 through 7 above shall be

reported to this Department immediately. All reportable actions which were initiated, pending or disposed of in 1973 or 1974 shall be included on a list to be filed with this Department no later than April 15, 1975. For 1976 and thereafter the notification form shall be submitted as part of the annual report. If no reportable actions occurred for a given year, this shall be indicated affirmatively in the notification form.

A reportable action shall not include:

- 1) an action not involving the insurance department of any other state;
- 2) a communication between an insurance department of any other state and an insurance company involving an interpretation of, or a change in a financial statement;
- 3) an action by a policyholder against an insurance company for a cancellation or underwriting decision, except as it results in the institution of a reportable action or proceeding by an insurance department of any other state against an insurance company;
- 4) an action or proceeding by an insurance department of any other state against an individual agent except where the insurance company is joined as a party by the department.

Notification shall conform with the following format:

I. Heading: Notification of Legal Actions Involving Insurance Departments of Other States.

II. Basic Data: Name of company, address of company, date of filing.

Actions Reported:

III. State

IV. A brief description of the nature of the action

V. A brief description of the disposition

VI. Date of initiation of action

VII. Date of disposition

James A. Guest

COMMISSIONER OF BANKING AND INSURANCE