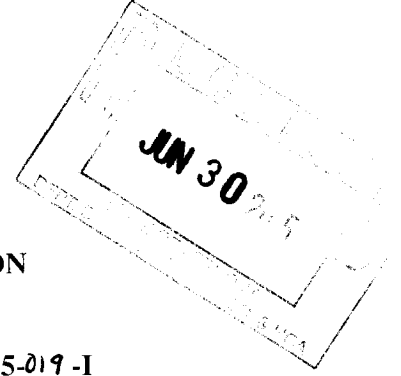


**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**



**IN THE MATTER OF:** ) **Docket No. 15-019 -I**  
 )  
**MAINE MUTUAL GROUP** )  
**INSURANCE COMPANY** )  
**NAIC NO. 15997** )

**STIPULATION AND CONSENT ORDER**

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

1. Pursuant to the authority contained 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 set forth herein.
3. Pursuant to 8 V.S.A. § 3885, a violation of any of the provisions of sections 3879 – 3884 may subject the violator to administrative penalties of \$2,000.00 for each violation.
4. Respondent is an insurance company licensed to sell property and casualty insurance in Vermont since February 18, 1981. Respondent is a Maine domiciled company with its corporate headquarters located at 44 Maysville Street, Presque Isle, Maine.
5. Following an analysis of Respondent’s Market Conduct Annual Statements covering the period 2012-2014, the Department concludes that Respondent violated certain provisions as set forth in 8 V.S.A. §§ 3879 and 3881.

6. The Department found that Respondent issued notices of cancellations of insurance policies to policyholders in violation of the timeframe required by 8 V.S.A. § 3879(b), and/or Respondent did not seek the prior approval of the Department to issue cancellations in circumstances of a substantial increase in hazard as required by 8 V.S.A. § 3879(a)(3).

7. In some circumstances, Respondent issued cancellations instead of notices of non-renewal of policies in violation of the requirements contained in § 3881.

8. 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 here.

9. Respondent waives its right to a hearing before the Commissioner or the Commissioner's designee, and 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 it may have 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 set forth here.

10. Respondent acknowledges its understanding of all terms, conditions, undertakings and obligations contained in this Stipulation and Consent Order.

11. Respondent acknowledges that this Stipulation and Consent Order constitutes a valid order duly rendered by the Commissioner and agrees 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 of 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 purpose of enforcing this Stipulation and Consent Order.

12. The Department retains any rights it has to respond to and address any consumer complaints that may be made with regard 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 consumer complaint.

13. Nothing herein shall be construed as a waiver of any private right of action any person may have.

14. Respondent certifies that the following corrective actions have been implemented by the Respondent in response to the Department's findings:

- a. Respondent's underwriting staff are being trained and educated on the specifics of Vermont regulations;
- b. All Vermont policy cancellations will be referred to a senior underwriter assigned by Respondent for prior approval to assure regulatory compliance; and
- c. Respondent agrees to seek the Commissioner's prior approval for procedures to follow when there is a substantial increase in hazard pursuant to 8 V.S.A. §3879(a)(3).

**THE DEPARTMENT AND RESPONDENT FURTHER STIPULATE AND AGREE:**

15. Respondent shall pay an administrative penalty in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500.00) within ten (10) business days of the execution of this Stipulation and Consent Order.

16. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner of the Department, or her designated appointee.

17. Respondent acknowledges and agrees that this stipulation is entered into 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 it has consulted with its attorney in this matter and that it has reviewed this Stipulation and Consent Order and it understands all terms and obligations contained herein.


18. Respondent consents to the entry of this Stipulation and Consent Order and agrees 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.

19. The terms set forth in this Stipulation and Consent Order represents the complete agreement between the parties as to its subject matter.

20. 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.

**MAINE MUTUAL GROUP INSURANCE COMPANY**

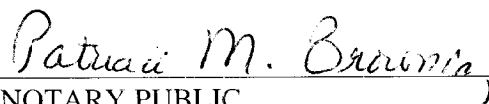
By Its Duly Authorized Agent:

  
Michael M. Young, SVP, CFO, Treasurer

June 23, 2015  
Date

STATE OF MAINE  
COUNTY OF AROOSTOOK, ss.

On this 23rd day of June, 2015 Michael M. Young personally appeared before me and pursuant to a sworn oath subscribed to this Stipulation and Consent Order and represented that he/she has full authority to execute, deliver and legally bind Respondent to this Stipulation and Consent Order.

  
NOTARY PUBLIC  
My Commission Expires: 02/10/2018

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Patricia M. Browning  
Notary Public, State of Maine  
My Commission Expires: 2/10/2018

ACCEPTED BY:

*for Karen Murphy, Director*  
Kaj Samsom, Deputy Commissioner,  
Insurance Division. Vermont Department  
of Financial Regulation

Date: *June 30*, 2015

**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 8 V.S.A. §§ 10-13, 15, 18, and Chapters 101, 105 and 129 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 *30<sup>th</sup>* day of *June*, 2015.

*Susan L. Donegan*

Susan L. Donegan, Commissioner  
Vermont Department of Insurance Regulation