

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: )  
METROPOLITAN PROPERTY AND ) DOCKET NO. 21-014-I  
CASUALTY INSURANCE COMPANY )  
NAIC # 26298 and METROPOLITAN )  
GROUP PROPERTY AND CASUALTY )  
INSURANCE COMPANY NAIC #34339 )

**STIPULATION AND CONSENT ORDER**

WHEREAS, the Vermont Department of Financial Regulation (the “Department”) asserts that Metropolitan Property and Casualty Insurance Company and Metropolitan Group Property and Casualty Insurance Company (collectively, the “Respondents”) have violated the insurance laws as set forth below; and

WHEREAS, Respondents and the Department wish to resolve these violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondents and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

**STATEMENT OF FACTS**

1. Respondents are foreign property and casualty insurance companies with a shared principal place of business at 700 Quaker Lane, Warwick RI 02886.
2. Metropolitan Property and Casualty Insurance Company’s NAIC number is 26298.
3. Metropolitan Group Property and Casualty Insurance Company’s NAIC number is 34339.
4. At all times relevant to this matter, Respondents held licenses issued by the Insurance Division of the Department (the “Insurance Division”) pursuant to 8 V.S.A. § 3361 authorizing Respondents to operate as insurers in the State of Vermont.

5. Following the Insurance Division's review of Respondents' 2017 and 2018 Market Conduct Annual Statements, the Insurance Division requested that Respondents provide an explanation of, and records pertaining to, the mid-term policy cancellations that Respondents issued in 2017 and 2018, including copies of the notices of cancellation and proofs of mailing.
6. The information provided by Respondents in response to the Insurance Division's request of November 12, 2019 demonstrates that between January 1, 2017 and December 31, 2018, Respondents did not use certified mail to mail 13 notices of cancellation to policyholders whose policies were cancelled for reasons other than the nonpayment of a premium.
7. Respondents have cooperated with and been responsive to the Insurance Division's requests for information and records, have acknowledged that they engaged in statutory violations, and have implemented internal corrective actions to prevent future violations of the laws governing the cancellation of fire and casualty policies in 8 V.S.A., Chapters 101 and 105.

#### **DESCRIPTION OF VIOLATIONS**

8. The Commissioner of Financial Regulation is responsible for administering and enforcing the insurance laws of the State of Vermont and is authorized to investigate insurance companies to determine compliance with Vermont law and issue orders imposing remedial actions and civil administrative penalties, pursuant to 8 V.S.A. §§ 10-15, 3661, and 3885.
9. Pursuant to 8 V.S.A. § 3661, the Commissioner may impose a civil administrative penalty for each violation of Title 8, an administrative rule of the Department, or an order of the Commissioner relating to insurance, of up to \$1,000 per violation or \$10,000 per willful violation.

10. Pursuant to 8 V.S.A. § 3885, the Commissioner may impose a civil administrative penalty for each violation of §§ 3879-3884 of up to \$2,000 per violation.
11. Pursuant to 8 V.S.A. § 3883, cancellation notices for fire and casualty insurance policies provided via mail must be sent using certified mail, unless the cancellation is for nonpayment of a premium.
12. Respondents violated 8 V.S.A. § 3883 by failing to use certified mail to mail 13 notices of cancellation to policyholders whose policies were cancelled for reasons other than nonpayment of a premium.

**CONSENT ORDER**

13. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondents shall pay an administrative penalty of \$13,000. Payment shall be made via wire or check made payable to the “Department of Financial Regulation” and mailed to:

Attn: Tom Taylor  
Department of Financial Regulation  
Insurance Division  
89 Main Street  
Montpelier, VT 05620-3101

14. Respondents shall also implement the following corrective actions:
  - a. Respondents shall employ internal procedures concerning issuance of cancellations of property and casualty insurance policies in the State of Vermont that conform with the laws regulating the cancellation of fire and casualty policies located in 8 V.S.A., Chapters 101 and 105.

- b. As required by 8 V.S.A. § 3883, when cancelling fire and casualty insurance policies for reasons other than the nonpayment of a premium, and when providing the notices of cancellation by mail, Respondents shall use certified mail.
  - c. Respondents shall take internal corrective actions to prevent future violations of 8 V.S.A. § 3883, including establishing a manual process for mailing cancellation notices until its electronic system is updated to conform with Vermont law.
15. Respondents acknowledge and admit the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
16. With respect to the facts and violations identified herein, Respondents waive their right to a hearing before the Commissioner or the Commissioner's designee and waive their right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
17. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, and it is not intended for any other purpose.
18. Respondents understand all terms and conditions in this Stipulation and Consent Order, consent to the entry of this Stipulation and Consent Order, and acknowledge that their consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondents' consent.
19. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the laws of the State of Vermont and may result in additional administrative action and the imposition of

injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8, including provisions imposing enhanced penalties for willful violations.

20. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondents for violations not resolved herein or to respond to and address any consumer complaints made with regard to Respondents.
21. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondents' ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondents.
22. Nothing herein shall be construed as limiting any private right of action a person may have.
23. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

**SIGNATURES**

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Metropolitan Property and Casualty Insurance Company to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Metropolitan Property and Casualty Insurance Company.

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

*Paul Gavin*

SignNow e-signature ID: b0d1de7b3e...  
04/02/2021 15:38:36 UTC

By: \_\_\_\_\_

Date: April 2\_\_, 2021

Paul Gavin  
SVP Product & Customer Solutions

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Metropolitan Group Property and Casualty Insurance Company to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Metropolitan Group Property and Casualty Insurance Company.

METROPOLITAN GROUP PROPERTY AND CASUALTY INSURANCE COMPANY

*Paul Gavin*

SignNow e-signature ID: e3d87ef5bc...  
04/02/2021 15:38:36 UTC

By: \_\_\_\_\_

Date: April 2\_\_, 2021

Paul Gavin  
SVP Product & Customer Solutions

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The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By: 

Michael S. Pieciak  
Commissioner of Financial Regulation  
Vermont Department of Financial Regulation

Date: April 5<sup>th</sup>, 2021