

MARYLAND INSURANCE  
ADMINISTRATION  
200 ST. PAUL PLACE, SUITE 2700  
BALTIMORE, MARYLAND 21202

BEFORE THE  
MARYLAND INSURANCE  
COMMISSIONER

vs.

CASTLEPOINT NATIONAL  
INSURANCE COMPANY  
(NAIC #40134)  
222 South Riverside Plaza, Suite 1600\*  
Chicago, IL 60606

CASE NO.: MIA-2012-09-052

\* \* \* \* \*

**ORDER**

This Order is entered by the Maryland Insurance Administration (“Administration”) against Castlepoint National Insurance Company, (“Castlepoint”), pursuant to §§ 2-108 and 2-204 of the Insurance Article, Maryland Code Annotated (2011 Repl. Vol.). Castlepoint has the right to request a hearing regarding the above violation under § 2-210 of the Insurance Article.

**I. Facts**

1. Castlepoint, at all times relevant to this Order, has held and currently holds a certificate of authority from the Maryland Insurance Administration to operate as an insurer.
2. Section 30-102 of the Insurance Article required an insurer authorized to do business in the State to provide the Insurance Commissioner, on or before October 1, 2011, with: (1) a report of information in the records of the insurer about each slaveholder insurance policy issued in the State by the insurer, or any predecessor of the insurer, during the “slavery era”; and (2) a copy of each document in the insurer’s records that related to the information.

3. Code of Maryland Regulations Section 31.16.09.04 specified the format and content of the report required under § 30-102.
4. On December 18, 2009, the Administration issued Bulletin 09-32 to clarify that all authorized insurers doing business in Maryland would be required to submit a report even if the company or its predecessor company was not in existence during the slavery era.
5. On May 12, 2012, the Administration issued Bulletin 12-08 as a reminder that all authorized insurers were required to submit a report pursuant to § 30-102. An insurer that failed to comply with the reporting requirement would be subject to appropriate enforcement action, including, but not limited to, the assessment of a monetary penalty.
6. Castlepoint failed to submit the required report.

## **II. Violations**

In addition to all other relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Castlepoint violated Maryland's insurance laws:

7. Section 30-102 of the Insurance Article provides in pertinent part:
  - (a) Requirements. -- On or before October 1, 2011, an insurer authorized to do business in the State shall provide the Commissioner with:
    - (1) a report of information in the records of the insurer about each slaveholder insurance policy issued in the State by the insurer, or any predecessor of the insurer, during the slavery era; and
    - (2) a copy of each document in the insurer's records that relates to the information provided under item (1) of this subsection.
8. Section 31.16.09 of the Code of Maryland Regulations ("COMAR") provides in pertinent part:

.07 Enforcement.

The Commissioner may impose on an insurer any penalty, sanction, or other form of legal enforcement which the Commissioner has the authority to impose for failure to comply with the provisions of this chapter.

9. Section 4-113 of the Insurance Article provides in pertinent part:

(d) Penalty. -- Instead of or in addition to suspending or revoking a certificate of authority, the Commissioner may:

(1) impose on the holder a penalty of not less than \$100 but not more than \$125,000 for each violation of this article;

10. By the conduct described herein, Castlepoint violated § 30-102 of the Insurance Article. As such, Castlepoint is subject to disciplinary action under the Insurance Article § 4-113(d) and COMAR 31.16.09.07.

### **III. Sanctions**

11. WHEREFORE, for the reasons set forth above, and subject to your right to request a hearing, it is this 24th day of September, 2012, ORDERED, that:

A. Pursuant to § 4-113(d) of the Insurance Article, based on consideration of COMAR 31.02.04.02, within thirty (30) days of the date of this Order, Castlepoint shall pay an administrative penalty in the amount of \$3,000 for violation of § 30-102 of the Insurance Article.

B. Within thirty (30) days of the date of this Order, Castlepoint shall submit the report and documents required by § 30-102 in the format set out in COMAR 31.16.09.04 to the Commissioner. The report and documents shall be sent to the attention of: Government Relations Department, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Failure to submit the required report and documents within thirty (30) days of the date of this Order will result in additional penalties in the amount of \$100 per day assessed beginning on the 31<sup>st</sup> day from the date of this Order.

12. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number or name. Unpaid penalties will be referred to the Central Collection Unit for collections. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Compliance and Enforcement, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

THERESE M. GOLDSMITH  
INSURANCE COMMISSIONER

**Signature on file with  
original**

By:

\_\_\_\_\_  
Thomas L. Marshall, Associate Commissioner  
Compliance & Enforcement