

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

vs.

INDEPENDENT MUTUAL FIRE
INSURANCE COMPANY
(NAIC #29831)
4 North Park Drive, Suite 402
Hunt Valley, MD 21030

BEFORE THE
MARYLAND INSURANCE
COMMISSIONER

CASE NO.: MIA-2012-09-025

* * * * *

ORDER

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

I. Facts

1. IMFIC, 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. IMFIC 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 IMFIC 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, IMFIC violated § 30-102 of the Insurance Article. As such, IMFIC 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 21st day of September, 2012, ORDERED, that:

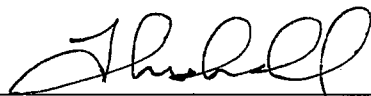
A. Pursuant to § 4-113(d) of the Insurance Article, based on consideration of COMAR 31.02.04.02, within thirty (30) days of the date of this Order, IMFIC shall pay an administrative penalty in the amount of \$3,000 for violation of § 30-102 of the Insurance Article.

B. Within thirty (30) days of the date of this Order, IMFIC 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 31st 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

By:



Thomas L. Marshall, Associate Commissioner
Compliance & Enforcement

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 and COMAR 31.02.01.03, you may request a hearing on this Order. This request must be in writing and be received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order.

Pursuant to § 2-212 of the Insurance Article, however, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served.

The request for hearing must be made in writing. The request must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, ATTN: Sharon Kraus, Appeals Clerk. Failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Should you request a hearing, the hearing officer may reduce, increase, or affirm the penalty amount sought by the Commissioner.

Pursuant to Insurance Article § 4-113(b)(2), failure to comply with the terms of this Order may result in further administrative action including additional fines and the suspension or revocation of your certificate of authority.

MARYLAND INSURANCE
ADMINISTRATION
FOR THE STATE OF MARYLAND
200 ST. PAUL PLACE, SUITE 2700
BALTIMORE, MARYLAND 21202

BEFORE THE
MARYLAND INSURANCE
COMMISSIONER

v.

CASE No. MIA-2012-09-025

INDEPENDENT MUTUAL FIRE
INSURANCE COMPANY
(NAIC #29831)
4 North Park Drive, Suite 402
Hunt Valley, MD 21030

* * * * *

CONSENT ORDER

The Maryland Insurance Commissioner (the "Commissioner") and Independent Mutual Fire Insurance Company ("the Insurer") hereby represent and acknowledge that they enter into this Consent Order as follows:

EXPLANATORY STATEMENT

A) This Consent Order is issued pursuant to §§ 2-108 and 2-204 of the Insurance Article, *Annotated Code of Maryland*.

B) At all relevant times, the Insurer held a Certificate of Authority from the State of Maryland to act as an authorized insurer in the State of Maryland.

C) On September 21, 2012, the Commissioner issued an order against the Insurer (the "Order") finding that the Insurer violated § 30-102 of the Insurance Article.

D) The Insurer filed a timely demand for a hearing contesting the Order. The demand for a hearing stayed the Order pending a hearing and resulting final order.

E) Section 30-102(a) of the Insurance Article provides that an insurer authorized to do business in the State of Maryland is required, on or before October 1, 2011, to provide the Commissioner with 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 (a "Slavery Era Policy report").

F) On or about September 28, 2012, the Insurer submitted a Slavery Era Policy report to the Commissioner.

G) The parties to this Consent Order desire to resolve the matter without further proceedings and without any finding or disposition concerning the Insurer's obligations under or compliance with § 30-102 of the Insurance Article.

H) The Insurer acknowledges that it has had the opportunity to consult with counsel of its choosing and enters into this Consent Order voluntarily.

I) This Consent Order supersedes and replaces the original Order, is the final understanding between and agreement of the parties, and resolves all matters alleged in the Order.

J) Upon execution of this Consent Order by both parties, the Insurer's demand for a hearing will be deemed to have been withdrawn.

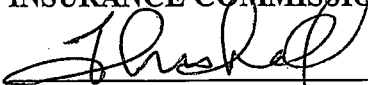
K) Nothing in this Consent Order shall be construed as a waiver of the Insurer's obligation to comply with any State law or of the Commissioner's right to proceed in an administrative or civil action for any future violations of the Insurance Article. Nor shall anything herein be deemed a waiver of the right of the Insurer to contest any such future proceeding by the Commissioner. Furthermore, nothing herein shall be construed to resolve, preclude or permit any actions that may be brought by other parties.

ORDER

THEREFORE, it is ORDERED by the Commissioner, and Consented to by the Insurer, that:

- 1) The Insurer shall pay an administrative penalty of \$1,000.00 within thirty (30) days of the execution of this Consent Order by both parties;
- 2) Immediately upon execution of this Consent Order by both parties, the demand for a hearing in this matter is deemed withdrawn; and
- 3) This Consent Order supersedes and replaces the original Order and constitutes the Final Order of the Commissioner in this matter. As such, this Consent Order is subject to disclosure under the Maryland Public Information Act found in Md. Code Ann., State Government, § 10-613 (2009 Repl. Vol.).

THERESE M. GOLDSMITH
INSURANCE COMMISSSTONER

By: 
Thomas Marshall, Associate Commissioner
Compliance and Enforcement

3-11-13
Date

CONSENT OF THE RESPONDENT

Respondent, Independent Mutual Fire Insurance Company, hereby consents to the entry of this Consent Order in Case No. MIA-2012-09-025 and to the terms contained within. Furthermore, the undersigned acknowledges that she/he has the authority to enter into this Consent Order and bind the Insurer to the terms of this Order.

march 7, 2013
Date


Witness

march 7, 2013
Date

3/12 co. iss

OCT 12 2012
Maryland Insurance
Administration

MARYLAND INSURANCE ADMINISTRATION
200 SAINT PAUL PLACE
SUITE 2700
BALTIMORE, MD 21202

INVOICE ✓

INDEPENDENT MUTUAL FIRE INSURANCE COMPANY
C/O SCOTT ALLEN SAULS
4 NORTH PARK DRIVE, SUITE 402
HUNT VALLEY MD 21030-0000

CUSTOMER NO.: 029831 018

2012-09-025

| INVOICE NO | INVOICE DATE | DUE DATE | INVOICE AMOUNT |
|------------|--------------|----------|----------------|
| AKI31012 | 09/21/12 | 10/21/12 | \$3,000.00 |

MARYLAND INSURANCE COMMISSIONER HAS DETERMINED THAT YOU FAILED TO MAKE A
REQUIRED FILING WITH THE STATE IN VIOLATION OF THE INSURANCE ARTICLE. THE
COMMISSIONER HAS ENTERED AN ORDER TAKING DISCIPLINARY ACTION AGAINST YOU BY
IMPOSING A PENALTY IN THE INVOICE AMOUNT SHOWN ABOVE. A COPY OF THE ORDER IS
CLOSED WITH THIS INVOICE AND IS SELF-EXPLANATORY. FAILURE TO REMIT PAYMENT BY
THE DUE DATE INDICATED ABOVE MAY RESULT IN ADDITIONAL PENALTIES.

EASE REMIT PAYMENT WITH THIS INVOICE TO:

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

IF YOU HAVE ANY ADDITIONAL QUESTIONS OR CONCERNS REGARDING THIS INVOICE, PLEASE
CONTACT NANCY EGAN AT 410-468-2488.

10/15/12 10:36AM 001#0408 A
A
1-9820 \$3000.00
CHECK \$3000.00



STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION

REFUND REQUEST FORM

D3402452

REGISTRATION NUMBER/TAX ID #

37-0637646

TO: PAYEE NAME

Independent Mutual Fire Ins. Co. (NAIC # 29831)

ADDRESS

4 North Park Drive, Suite 402
Hunt Valley, MD 21030

REFUND AMOUNT:

\$ 2000.00

DATE OF DEPOSIT

10-15-12

DEPOSIT NUMBER

[Empty box]

AGENCY CODE

23.26.01

PROGRAM

[Empty box]

FUND

[Empty box]

SOURCE CODE

[Empty box]

REASON FOR REFUND



OVER PAYMENT OF

Administrative Penalty



EXAM REFUND



DUPLICATE PAYMENT OF FEE



INSURANCE RENEWAL REFUND



OTHER

ADDITIONAL INFORMATION

Invoice No. AK131012

APPROVED BY:

Denise Owens

TITLE:

Admin. Assistant

DATE:

3-11-13