

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



THERESE M. GOLDSMITH
Commissioner

KAREN STAKEM HORNIG
Deputy Commissioner

**INSURANCE
ADMINISTRATION**

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2009 Fax: 410-468-2020
Email: sharon.kraus@maryland.gov
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

April 10, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
REGULAR MAIL

Terri L. Hudson, CPCU, MCM
Compliance Manager – Program Services
National Specialty Insurance Company
1900 L. Don Dodson Drive
Bedford, Texas 76021

Re: *Maryland Insurance Administration v. National Specialty Insurance Co.*
Case No.: MIA-2012-09-113

Dear Terri Hudson:

A copy of the fully executed Consent Order that has been entered in this case is enclosed for your records.

Sincerely,

Sharon Kraus
Appeals Clerk

Enclosure

cc: J. Van Lear Dorsey, Principal Counsel
Mary Nevius, Assistant Attorney General
Heather Nelson, Assistant Attorney General
Tom Marshall, Associate Commissioner
Associate Commissioner, Producer Licensing
Tinna Damaso Quigley, Director of Government Relations
Nancy Egan, Assistant Director of Government Relations
Vivian Laxton, Director of Public Affairs
Fiscal Administrator
Chief Market Conduct Examiner

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-2012-09-113

NATIONAL SPECIALTY
INSURANCE COMPANY
(NAIC #22608)
1900 L. Don Dodson Drive
Bedford, TX 76021

* * * * *

CONSENT ORDER

The Maryland Insurance Commissioner (the "Commissioner") and National Specialty 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 26, 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 October 25, 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.

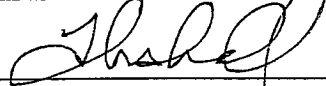
K) Nothing in this Consent Order shall be construed as a waiver of the Insurer's obligation to comply with any State law or of the Commissioner's right to proceed in an administrative or civil action for any future violations of the Insurance Article. Nor shall anything herein be deemed a waiver of the 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.).

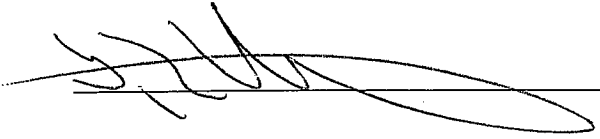
THERESE M. GOLDSMITH
INSURANCE COMMISSIONER


By: _____
Thomas Marshall, Associate Commissioner
Compliance and Enforcement


4/9/2013
Date

CONSENT OF THE RESPONDENT

National Specialty Insurance Company, hereby consents to the entry of this Consent Order in Case No. MIA-2012-09-113 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.

A large, stylized handwritten signature in black ink, written over a horizontal line.

4/3/13
Date

A handwritten signature in black ink, written over a horizontal line. The signature appears to be "D. S. Q." followed by a flourish.

Witness

4/3/13
Date