STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of **UNITED STATES FIRE INSURANCE COMPANY.** Authorized Insurer.	Agency No. 16-0192 WAOIC No. 1376 NAIC No. 21113 ORDER IMPOSING SUSPENDED PORTION OF FINE

The Insurance Commissioner of the state of Washington ("Insurance Commissioner"), pursuant to Chapter 48.05 RCW, RCW 48.02.060, and the Insurance Commissioner's Order No. 16-0192, hereby imposes the suspended fine in this matter against United States Fire Insurance Company in the amount of Twenty Five Thousand dollars ($25,000.00). Pursuant to the plain language of the aforementioned Consent Order, United States Fire Insurance Company has waived any right to hearing on or appeal of this action, which is within the sole discretion of the Insurance Commissioner. In its discretion, the Insurance Commissioner's staff has determined that United States Fire Insurance Company has failed to comply with the Compliance Plan in this matter, and that the imposition of the aforementioned suspended fine is warranted and appropriate under the circumstances.

This Request is a public record and will be disseminated in accordance with Title 48 RCW and the Insurance Commissioner's policies and procedures.

State of Washington
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

BASIS

1. United States Fire Insurance Company ("the Company") is an authorized insurer domiciled in Delaware and duly authorized to engage in the business of insurance in the state of Washington. The Company holds a Certificate of Authority authorizing it to operate as a Property/Casualty insurer in the state of Washington.

2. On October 25, 2016, the Company entered into Consent Order No. 16-0192 ("the Order") with the Insurance Commissioner related to violations of Washington's Insurance Code. In the Order, the Company and the Insurance Commissioner agreed that "by issuing policies using policy forms different from those filed with and approved by the Insurance Commissioner, using call center producers that were not licensed in Washington to solicit and sell pet insurance policies, using call center producers that were not affiliated to solicit and sell pet insurance policies, and mailing letters to policyholders that failed to identify the legal name of the insurer and instead was sent under the agency's brand name ASPCA Pet Health Insurance, the Company violated RCW 48.18.100, RCW 48.17.060(1), WAC 284-17-473, WAC 284-30-670(4), and WAC 284-30-670(6)."

3. The Order included a suspended portion of fines, which would not be imposed if the Company "complies with and carries out the Compliance Plan set forth in Exhibit A hereto ... incorporated into this Order by reference as though fully set forth herein."

4. The Order further provides:

> The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions as set forth above, without any right to hearing, appeal or advance notice. The suspended portion of the fine will be paid within thirty (30) days of the entry of an Order imposing it. Failure to pay the suspended portion of the fine when imposed shall constitute grounds for revocation of the Company's certificate of authority.

5. The Insurance Commissioner is authorized by Consent to Order Paragraph 4 of Order No. 16-0192 to impose the Twenty Five Thousand Dollar ($25,000.00) portion of the fine, in whole or in part, that was conditionally suspended by that Order. The Order authorizes the Insurance Commissioner to impose this fine amount according to the conditions set forth in the Order at its sole discretion, without any right to hearing, appeal, or advance notice to the Company.

6. In this case, pursuant to RCW 48.02.100, the Insurance Commissioner has delegated the authority to make the determination of whether the Company is complying with the terms of the Order, including the Compliance Plan attached and made a part thereto, to the Insurance Commissioner's staff.

7. The Insurance Commissioner's staff has determined that the Company has not adequately complied with the Compliance Plan in this matter. For instance, the Compliance Plan includes "an implementation plan for corrective actions ('Corrective Action Plan')" that "will include all steps planned and/or taken to resolve the violations in the Order." (Compliance Plan attached to Order No. 16-0192 ("Compliance Plan"), page 1.) "With respect to any licensing concerns" the Corrective Action Plan states "we have implemented . . . on a prospective basis and have all of the below corrective measures in place." Further, the Company "will undertake appropriate remedial action acceptable to the OIC for each violation found within any audit." (Compliance Plan, page 2.)

8. However, the corrective measures listed on page 2, No. 2 of the Corrective Action Plan failed to remedy its violation of the requirement to ensure that its individual licensees are properly appointed, resulting in the Company's use of a non-appointed website and non-appointed producers to solicit and sell pet insurance policies.

9. The Company used the website, www.policygenius.com, in soliciting the Company's pet insurance policies without currently or ever being appointed with the Company. The Company's use of this non-appointed website, and online enrollment or downline agents, resulted in five (5) enrollments with a total earned premium of $209.06 between August 2017 to November 2018. Further, the Company earned $4,774.24 in additional premium earned on sales between October 1, 2016, to November 30, 2018, by non-appointed producers with whom the Company has no contractual relationship. For the period of October 1, 2016 to November 30, 2018, an additional $1,046.91 of commissions was paid to non-appointed producers with whom the Company has a contractual relationship.

10. Accordingly, the Insurance Commissioner's staff has decided to exercise the discretion afforded by the Order No. 16-0192 by imposing the full Twenty Five Thousand Dollar ($25,000.00) suspended fine. This imposition of the fine is appropriate to address the Company's failure to follow the Compliance Plan to date.

11. Pursuant to Consent to Order paragraph 4, page 4, of Order No. 16-0192, the Twenty Five Thousand Dollar ($25,000.00) fine must be paid within thirty (30) days of this Order imposing it. Failure to pay the suspended portion of the fine when imposed shall constitute grounds for revocation of the Company's certificate of authority.

ENTERED at Tumwater, Washington, this 6th day of March 2019.

Mike Kreidler

MIKE KREIDLER
Insurance Commissioner

By and through his designee

DARRYL E. COLMAN
Attorney Manager
Legal Affairs Division

CERTIFICATE OF SERVICE

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing Order Imposing Suspended Portion of Fine to on the following person(s) listed below in the manner shown:

Caren Alvarado
VP.Regulatory Affairs & Industry Relations,
A&H Division
Crum & Forster
5 Christopher Way, 2nd Floor
Eatontown, NJ 07724
caren.alvarado@cfins.com

By email and by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed.

Dated this 25 day of March, 2019, at Tumwater, Washington.

Christine M. Tribe
Paralegal
Legal Affairs Division