State of Rhode Island and Providence Plantations DEPARTMENT OF BUSINESS REGULATION

Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

IN THE MATTER OF:

LIBERTY MUTUAL INSURANCE GROUP

RESPONDENT.

.

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation ("Department") and Liberty Mutual Insurance Group ("Respondent") as follows:

- 1. Respondent is a group of insurers within the Liberty Mutual Holding Company Inc. that are licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.
- 2. RI Gen Law 27-9.1-4(25) and Insurance Regulation 73 Section 8 are applicable to all total loss claims arising out of an automobile insurance policy issued in Rhode Island. In order to implement these provisions the Department issued Insurance Bulletin 2014-2.
- 3. In October 2015, the Department and Respondent entered into a Consent Agreement (the "Prior Agreement") in which Respondent agreed to refund a number of Rhode Island consumers for not having paid total loss claims based on NADA values and for not having fully paid title fees incident to transfer of evidence of ownership of a comparable automobile.
- 4. After receiving a consumer complaint, the Department contacted Respondent in February 2017 outlining compliance concerns as follows:

1

- a. Respondent made a total loss settlement offer based on market driven valuations.
- b. Respondent failed to pay title, registration and other fees incident to transfer of evidence of ownership of a comparable automobile.
- 5. After confirming the complaint, the Department requested further information from Respondent. Specifically, the number of Rhode Island total loss claims that were not settled in compliance with RI General Law 27-9.1-4(25) and Insurance Regulation 73 and the number of all Rhode Island claims that were not settled in compliance with Insurance Regulation 73, Section 8(A)(4) since the Prior Agreement was executed.
- 6. Respondent conducted a prompt and thorough investigation of two thousand one hundred sixty-nine (2,169) applicable claim files.

THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

- One hundred twenty-six (126) refunds totaling \$103,512.27 plus interest were owed
 (and paid) because NADA values had not been considered.
- One hundred fifteen (115) title fees totaling \$6,035.67 plus interest were owed (and paid).
- 7. Respondent has taken every step possible to comply with Insurance Regulation 73 Section 8, Insurance Bulletin 2014-2, and RI Gen Law 27-9.1-4(25). Since the changes were implemented in January of 2017 there have been no further violations.
- 3. Respondent will pay a fine of \$30,000.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on SEPTEMBER

behalf of their respective clients the day of August 2017.

Department of Business Regulation

By its Legal Counsel,

Matthew M. Gendron

SEBESTYEN MARTENS

REGULATORY COUNSEL,

GLOBAL COMPLIANCE & ETHICS