

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903**

_____)	
IN THE MATTER OF:)	
)	
Hingham Mutual Fire)	
Insurance Company)	DBR No. 05-I-0103
)	
Respondent.)	
_____)	

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and Hingham Mutual Fire Insurance Company (“Respondent”) as follows:

1. R.I.G.L. §§ 27-6-53(a)(3) and 27-9-56 (a)(3) provide in relevant part:

An insurer shall not decline insurance for a new customer based solely on an insurance score, or absence of an insurance score; and an insurer shall not cancel, non-renew or increase the rate of an existing customer based solely on a worsening in a customer’s insurance score ...
2. These sections are applicable to all insurance policies issued in Rhode Island after January 1, 2003.
3. On December 31, 2002 the Department issued Insurance Bulletin 2002-16 to provide additional information regarding these statutes and notice of interpretations of portions of the statute. Insurance Bulletin 2002-16 was posted on the Department’s website and e-mail notification of its existence was sent to all persons on the Division of Insurance interested parties list.

4. In response to a complaint forwarded by the Department, Respondent admitted that on November 15, 2004 it cancelled a newly issued insurance policy solely because of the insurance score of the insured.
5. Respondent indicated that an error had been made on the account and immediately reinstated the policy in question.
6. The Department then inquired as to whether any other policies were declined or cancelled for credit scores. Respondent indicated that after reviewing all cancellations for 2004, it had discovered an additional four cancellations for credit. These cancellations were made between June 7, 2004 and August 9, 2004.
7. Due to the passage of time, the Department does not believe that there is any efficacy in contacting these customers to determine whether they would wish to be reinstated.

WHEREFORE, 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:

1. Respondent agrees that it will assure that all Rhode Island declinations and cancellations strictly follow R.I.G.L. §§ 27-6-53(a)(3) and 27-9-56 (a)(3) and Insurance Bulletin 2002-16.
2. Respondent agrees to pay a fine of \$500 for each violation of R.I.G.L. §§ 27-6-53(a)(3) and 27-9-56 (a)(3) identified for a total fine of \$2,500.
8. If the Department finds any future violations of R.I.G.L. §§ 27-6-53(a)(3) and 27-9-56 (a)(3), the Department may institute further administrative action including but not limited to 1) suspension, 2) revocation and/or 3) additional administrative

penalties. Respondent shall be provided with notice and an opportunity for hearing should the Department choose to take such further action.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 4th day of May, 2005.

Department of Business Regulation
By it's Legal Counsel,

Respondent
By,

___ Original Signature on File ___
Elizabeth Kelleher Dwyer

__ Original Signature on File ___
George A. Cole III
Sr. Vice President & Treasurer