

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

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| _____ |) | |
| IN THE MATTER OF: |) | |
| |) | |
| SUMMIT INSURANCE |) | |
| COMPANY |) | DBR No. 05-I-0069 |
| |) | |
| Respondent. |) | |
| _____ |) | |

DECISION

Hearing Officers: Elizabeth Kelleher Dwyer, Esq.
Sharon K. Gordon

Hearing Held: April 20, 2005

Appearances: Daniel Crocker, Esq. of Partridge, Snow & Hahn for Summit
Insurance Company

I. INTRODUCTION

The above-entitled matter came before the Department of Business Regulation ("Department") as the result of a request from Summit Insurance Company ("Summit") to move its corporate records and headquarters to the offices of New London County Mutual Insurance Company ("NLC") in Norwich, Connecticut. An order appointing the undersigned as Hearing Officers was issued and a hearing was held in this matter on April 20, 2005. Daniel Crocker, Esq. represented Summit. Also appearing on behalf of Summit were Mary Clare Decker, Esq. of Partridge, Snow & Hahn, Steve H. Chevalier, CPA, Vice President and Treasurer of Summit and Judy Jackson, President and CEO of NLC.

II. JURISDICTION

The Department has jurisdiction over this matter pursuant R.I.G.L. § 27-1-1, R.I.G.L. § 42-14-1 *et seq.*, and R.I.G.L. § 42-35-1 *et seq.*

III. ISSUE

Is it inconsistent with the public interest of the people of the state of Rhode Island to allow Summit to locate their corporate records and headquarters in Norwich, Connecticut.

IV. MATERIAL FACTS AND TESTIMONY

On March 7, 2005, Albert J. Pereira, President of Summit and Judy Jackson, President of NLC wrote to the Department requesting that the Director allow, pursuant to R.I.G.L. § 27-1-1 Summit to maintain its principal office and documents at the NLC headquarters in Norwich, Connecticut. (Exhibit 1) At the hearing Mr. Chevalier submitted correspondence and testimony expanding upon that request. (Exhibit 2)

Summit and NLC entered into an arrangement in 2000 which both companies represented has been beneficial to the companies and Rhode Island residents. Mr. Chevalier indicated that as a result of the relationship Summit "...has become a reliable source of personal lines insurance in Rhode Island..." It is in furtherance of that relationship that Summit makes this request. Summit emphasized that Norwich, Connecticut is 56 miles from Providence, Rhode Island.

Summit addressed each of the criteria set forth in R.I.G.L. § 27-1-1. First, Summit indicated that it had three employees in Rhode Island, including two Rhode Island residents. All were extended job offers and have accepted employment in Norwich, Connecticut. Second, Summit indicated that the move would not prejudice any current or future policyholders. Third, Summit stated that claims services have been

handled out of Norwich, Connecticut since 2000 and the addition of the three Rhode Island employees will allow a seamless transition of all policyholder services. Therefore, Summit represented that there will be no detriment or prejudice to any current or future policyholders of Summit. Fourth, Summit represented that its financial records show that it has been and will continue to be able to meet all of its financial obligations.

V. FINDINGS OF FACT

1. The request of Summit will only effect the full time employees currently located within Rhode Island in their job location, as each has been offered a position in Norwich, Connecticut, which is 56 miles from Providence, Rhode Island.

2. The request will not be prejudicial to current or future policyholders, as the Department will maintain its current jurisdiction and Summit will be subject to all requirements of Rhode Island statutes and regulations.

3. Granting the request will not adversely effect the ability to file claims with or against Summit, once Summit has appointed a agent for service of process within the State of Rhode Island.

4. The request will not adversely affect the financial condition of Summit.

5. In order to allow for efficient regulation of Summit, Summit has agreed to produce all records and requested staff in Rhode Island for the purposes of examination and to provide space for such examination in Rhode Island. Additionally, financial records will be available to the Department by fax, e-mail and on line.

6. If the Department accedes to a request from Summit to conduct an examination in Norwich, Connecticut, Summit acknowledges that such a request may

increase the cost of the examination, as the examiners would be entitled to overnight stays in Norwich, Connecticut.

VI. CONCLUSIONS OF LAW

Based on the testimony and facts presented we conclude as follows:

1. The Department has jurisdiction over this matter pursuant to R.I.G.L. § 27-1-1, R.I.G.L. § 42-14-1 *et seq.*, and R.I.G.L. § 42-35-1 *et seq.*
2. Summit has shown all of the factors required pursuant to R.I.G.L. § 27-1-1(a) in connection with its request to locate records in Norwich, Connecticut.
3. Granting the request to allow Summit to locate records in Norwich, Connecticut is not inconsistent with the public interest of the people of the state of Rhode Island.

VII. RECOMMENDATION

Based on the above analysis, the Hearing Officers recommend that

1. Summit be allowed to maintain its records in Norwich, Connecticut..
2. As a condition for the granting of this request, Summit must produce any records or staff requested by the Department at a facility within the state of Rhode Island.
3. Summit agrees to designate an agent for service of process located in the State of Rhode Island. Summit will inform the Department of such designation in writing within five days of this Order. Summit will further notify insureds at the initiation of the policy and any person making a claim under the policy of the name and address of the agent for service of process upon request. and will accept process of Rhode Island filings in such a manner.

Dated: May 4, 2005

_____ original signature on file _____
Elizabeth Kelleher Dwyer
Hearing Officer

Dated: May 4, 2005

_____ original signature on file _____
Sharon K. Gordon
Hearing Officer

I have read the Hearing Officers' Decision and Recommendation in this matter, and I hereby

ADOPT
 REJECT
 MODIFY

the Decision and Recommendation.

Dated: May 4, 2005

_____ original signature on file _____
A. Michael Marques
Director

NOTICE OF APPELLATE RIGHTS

THIS DECISION CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I.G.L. § 42-35-12. PURSUANT TO R.I.G.L. § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.