

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:
PEERLESS INSURANCE COMPANY
RESPONDENT.

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CONSENT AGREEMENT

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

1. Peerless is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies insuring Rhode Island registered automobiles.

2. R.I. Gen. Laws § 27-10.3-1 provides any party suffering a loss under an automobile insurance contract may demand arbitration of the claim. At the time of the demand, Insurance Regulation 73(5)(G) provided that insurers shall respond within ten (10) days to all written communications from a claimant. R.I. Gen. Laws § 27-9.1-4 provides that it is an unfair trade practice to fail to act with reasonable promptness upon pertinent communications with respect to claims and to fail to adopt and implement reasonable standards for the prompt investigation and settlement of claims

3. The Department received a complaint that Peerless did not respond to multiple correspondence and telephone calls from counsel for claimants demanding arbitration under R.I. Gen. Laws § 27-10.3-4 within ten days, or within any reasonable period of time. In fact, Peerless responded that counsel was incorrect in her statements that numerous messages had been left for the

claim handlers as those messages were not documented in the claim file. When counsel produced tape recordings of the voicemail message, Respondent admitted that not all voicemail messages made had been documented in the claim file and that a request for arbitration had gone unanswered.

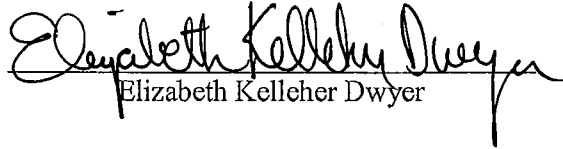
4. Based upon this incident the Department asked Peerless to document all other requests for arbitration under R.I. Gen. Laws § 27-10.3-1 that had been received along with documentation of how quickly those request were responded to. Respondent indicated that its system did not capture that information and it could not determine how often arbitrations had been demanded and the time period between the request and communication.

THEREFORE, based on the foregoing and in lieu of an examination to establish how often this violation occurred, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

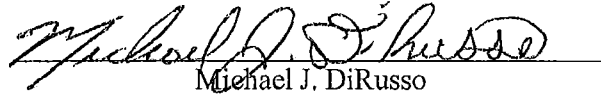
1. Respondent will pay a fine of \$8,000.
2. Respondent agrees to institute procedures wherein all communications for claimants or claimant's representative are responded to within fifteen (15) days of receipt in accordance with the amended Insurance Regulation 73 6(D);
3. Respondent agrees that all communications requesting, suggesting or demanding arbitration will be assigned to an attorney and an acknowledgment sent to the claimant or claimant's representative with the name of the attorney within fifteen (15) days of receipt.
4. Respondent agrees that it will instruct the attorney retained that an arbitration under R.I. Gen. Laws § 27-10.3-1 should be instituted as soon as possible.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 20th day of April 2014.

Department of Business Regulation
By it's Legal Counsel,


Elizabeth Kelleher Dwyer

Peerless Insurance Company


Michael J. DiRusso