

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Insurance Division*  
**1511 Pontiac Avenue, Bldg. 69-2**  
**Cranston, Rhode Island 02920**

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**IN THE MATTER OF:**

**THE HORACE MANN GROUP**

**RESPONDENT.**

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**CONSENT AGREEMENT**

It is hereby agreed between the Department of Business Regulation (“Department”) and Horace Mann Group (“Respondent”) as follows:

1. Respondent is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.
2. Insurance Regulation 25 Section 9 enumerates *Duration of Assessments* with respect to the timing of applicable premium surcharges on Rhode Island personal automobile insurance policies.
  - a. Section 9 states: “The additive assessments resulting from the adoption of this regulation shall be included on new and renewal policies [...] using the anniversary date of the original coverage as the starting point of such experience measuring period [...]”.
  - b. Section 3F defines “renewal” and clarifies “[...] that any policy with a policy period or term of less than twelve (12) months shall for the purpose of this section be considered as if written for a policy period or term of twelve (12) months.”
3. As a result of a rate filing review, the Department determined that Respondent’s IT system used a six (6) month rating period instead of the required twelve (12) months anniversary

rating period, correlating with Respondent's six (6) month policies. As such, in November 2016 the Department contacted Respondent for additional information.

4. Respondent conducted a prompt and thorough investigation of the previous five years of claim files and determined that there were forty-eight (48) claim files that were surcharged out of compliance using a six (6) month renewal period instead of a twelve (12) month renewal period.

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:

1. Of the forty-eight (48) claim files that were affected, Respondent issued forty-four (44) refunds, including interest, totaling \$8,226.96.
2. Respondent has taken steps to comply with the Insurance Regulation 25 Section 9 and made immediate system coding changes in December 2016 to prevent such errors in the future.
3. Respondent will pay a fine of five thousand dollars (\$5,000) within 30 days.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 28th day of June 2017.

Department of Business Regulation  
By its Legal Counsel,



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Matthew Gendron

The Horace Mann Group  
By its attorney,



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Cynthia Lamar