

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

National Union Fire Insurance Company of Pittsburgh, PA

May 20, 2020

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of National Union Fire Insurance Company of Pittsburgh, PA using a sample period of January 1, 2018 through December 31, 2018. The examination survey was limited to Connecticut Property and Casualty insurance business.

National Union Fire Insurance Company of Pittsburgh, PA is domiciled in the State of Pennsylvania. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints and underwriting information requested for the examination period.

The Department's findings are as follows:

- Instances of entities acting as producer of National Union Fire Insurance Company of Pittsburgh, PA not licensed to write business in Connecticut.
- Instances of individuals acting as producers of National Union Fire Insurance Company of Pittsburgh, PA not appointed to write business in Connecticut.
- Instances of entities acting as producers of National Union Fire Insurance Company of Pittsburgh, PA not appointed to write business in Connecticut.

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

----- X
IN THE MATTER OF:
NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA:
----- X

DOCKET MC 20-59

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between National Union Fire Insurance Company of Pittsburgh, PA and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to National Union Fire Insurance Company of Pittsburgh, PA:

1. National Union Fire Insurance Company of Pittsburgh, PA, hereinafter referred to as Respondent, is domiciled in the State of Pennsylvania and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 19445.
2. From January 10, 2020 through May 18, 2020, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2018 through December 31, 2018.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - a) unlicensed entities soliciting, negotiating, or effecting insurance
 - b) individual producers acting as agents of Respondent without required appointment
 - c) entity producers acting as agents of Respondent without required appointment
4. The conduct described in paragraph three is in violation of Sections 38a-702b and 38a-702m of the Connecticut General Statutes constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2 and 38a-41 of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$106,000 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to notice and a hearing; and
 - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Department has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of One Hundred Six Thousand Dollars (\$106,000) for the violations herein above described.

National Union Fire Insurance Company of Pittsburgh, PA.

By: 
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 7th day of July 2020, for and on behalf of National Union Fire Insurance Company of Pittsburgh, PA; that she/he is the Vice President of such company, and she/he has authority to execute and file such instrument.

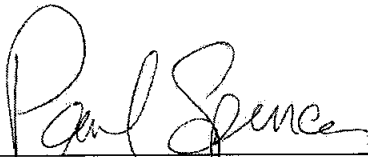
By: 

STATE OF New York

SS

COUNTY OF Westchester (signatory), Orange (notary)


On the 7th day of July 2020, before me personally
appeared Steven Harris, sealer
of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.


Notary Public/Commissioner of The Superior Court

PAUL SPENCER
Notary Public, State of New York
No. 01SP6141334
Qualified in Orange County
Certificate Filed in New York County
Commission Expires Feb 21, 2022
Notarization made pursuant to Executive Order 202.7

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 5th day of August 2020.


Andrew N. Mais
Insurance Commissioner