

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)	
)	
HOMESITE INSURANCE COMPANY)	
)	
NAIC #17221)	DOCKET NO. 3035-2016
)	
99 Bedford Street)	
Boston, MA 02111-2217)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of March 10, 2016, by and between Homesite Insurance Company (the “Respondent”) and the State of Delaware Department of Insurance (“Department”). The Respondent and the Department are collectively referred to herein as the “Parties.”

WHEREAS, Respondent is a property and casualty insurance company incorporated under Connecticut law and authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department, through its examiners, conducted a target market conduct examination (“Examination”) of Respondent’s affairs and practices as of November 15, 2012; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

WHEREAS, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of November 15, 2012 ("Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with (i) 18 *Del. C.* §2304(7)(b), in that it charged and collected cancellation fees that were not specified in its policies filed with the Department; and (ii) 18 *Del. C.* §2304(16)e., in that it failed to deny coverage of claims within a reasonable time after proof of loss statements had been completed (collectively hereinafter the "Notice Violations"); and

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Fifteen Thousand Dollars (\$15,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Within thirty days of the execution of this Stipulation and Consent Order by both Parties, Respondent shall submit to the Department a written corrective action plan describing the internal procedures that Respondent has put in place to ensure compliance with 18 *Del. C.* §

2304. Such corrective action plan shall be delivered to the Department's Director of Market Conduct.

4. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

5. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

6. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.

7. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

8. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.


9. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified

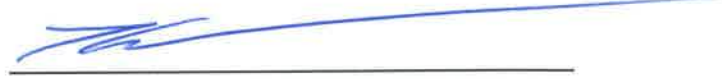
copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

10. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

HOMESITE INSURANCE COMPANY:

DELAWARE INSURANCE DEPARTMENT


Print Name: Anthony M. Scavongelli
Title: Executive VP and Secretary
Date: 03/10/2016


KAREN WELDIN STEWART, CIR-ML
Insurance Commissioner
Date: 3-17-2016

Witness to Respondent's Signature
Name: Lauren E. Johnson
Title: Senior Paralegal
Date: 03/10/2016

STATE OF Massachusetts)
) **SS.**
COUNTY OF Suffolk)

The foregoing instrument was acknowledged before me this 10th day of March 2015, by Anthony M. Scavongelli, who is personally known to me or who has produced personal knowledge as identification, and who certified that he or she is duly authorized to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.


NOTARY PUBLIC



Lauren E. Johnson
PRINT NAME
04/24/2020
MY COMMISSION EXPIRES