



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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In the Matter of

SENTINEL INSURANCE COMPANY, LTD.,

No. 2018-0088-S

Respondent.

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CONSENT ORDER

WHEREAS, the Department of Financial Services (the “Department”) conducted a market conduct investigation into the business practices of Sentinel Insurance Company, Ltd., (hereinafter “Respondent”) for the period from October 2009 through December 2015.

WHEREAS, this Consent Order contains the Department’s findings and the relief agreed to by the Department and Respondent.

NOW, THEREFORE, the Department and Respondent are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

FINDINGS

1. Respondent is a foreign insurance company authorized to transact accident and health, fire, miscellaneous property, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability, workers’ compensation and employers’ liability, fidelity and surety, credit, motor vehicle and aircraft physical damage, marine and inland marine, marine protection and indemnity insurance business in this State pursuant to Section 1113(a) of the New York Insurance Law, and as

authorized by Section 4102(c), insurance of every kind or description outside of the United States and reinsurance of every kind or description, except life insurance, annuities and title insurance.

2. Respondent for the time period October 2009 through December 2015 overcharged policyholders a 2% fire fee rate in lieu of the statutory New York fire fee rate of 1.25% on premiums covering the peril of fire on property or risks in New York State while reporting and paying the correct fee amounts to the Superintendent during this time period.
3. Respondent's violations during the aforementioned time period contravened New York Insurance Law.

VIOLATIONS

4. By reason of the foregoing, Respondent violated New York Insurance Law Section 9108(b)(1).

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondent, its successors and assigns (on behalf of its agents, representatives, employees, parent company, holding company, and any corporation, subsidiary or division through which Respondent operates) that:

5. Respondent represents, and has demonstrated to the Department, that it has implemented the necessary actions to prevent recurrences of the violations described above including having made restitution voluntarily in the total amount of \$1,666,596 including interest to policyholders who were overcharged the New York fire fee; and also represents that Respondent is now compliant with the aforementioned section of the New York Insurance Law. Respondent will also take all necessary steps to comply with the New York Insurance Law and Regulations with respect to its insurance products in the future.

MONETARY PENALTY

6. Within seven (7) days of the execution of this Consent Order, Respondent shall pay a civil penalty of One Hundred Fifty Thousand Dollars (\$150,000.00). Respondent agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.
7. The above referenced payment shall be payable to the New York State Department of Financial Services account at JP Morgan Chase Bank, N.A. via electronic transfer in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

8. In the event that the Department believes Respondent to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondent, and Respondent must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
9. Respondent understands and agrees that Respondent's failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondent's Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and may use any and all evidence available to the Department for all ensuing examinations, hearings, notices, orders and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

10. If Respondent defaults on any of its obligations under this Consent Order, the Department may terminate this Consent Order at its sole discretion, upon ten (10) days' written notice to Respondent. In the event of such termination, Respondent expressly agrees and acknowledges that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondent or from using in any way the statements, documents, or other materials produced or provided by Respondent prior to or after the date of this Consent Order, including, without limitation, such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.
11. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondent and the Department's own factual examination. To the extent that representations made by Respondent are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
12. Upon the request of the Department, Respondent shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order.
13. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: Laura Evangelista, Executive Deputy Superintendent for Insurance

If to the Company:

Sentinel Insurance Company, Ltd.
One Hartford Plaza
Hartford, CT 06155-0001
Attention: Thomas Bartell, Deputy General Counsel

14. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
15. Respondent waives its right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agrees that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
16. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
17. This Consent Order constitutes the entire agreement between the Department and Respondent relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
18. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
19. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondent for the conduct set forth in this Consent Order, subject to the terms of this Order.
20. This Consent Order may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

SENTINEL INSURANCE COMPANY, LTD.

By: [Signature] Dated: 7/18/18

Karmela K. Malone
Chief Compliance Officer- Property & Casualty

State of Connecticut - County of Hartford

The foregoing instrument was acknowledged before me this
18th day of July, 2018 by Karmela Malone. Barbara Jean Leclair

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES



BARBARA JEAN LECLAIR
Notary Public, State of Connecticut
My Commission Expires Apr 30, 2023

By: [Signature] Dated: 8/1/18

Laura Evangelista
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By: [Signature] Dated: 9/11/18

Maria T. Vullo
Superintendent of Financial Services