

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 17765-AG19-0314-034

IN THE MATTER OF:)
)
Liberty Mutual Insurance)
175 Berkeley Street)
Boston, MA 02116)
)
Respondent)
)
Type of Agency Action: Enforcement)
)
NAIC Number: 23043)

FILED

AUG 01 2019

**STATE OF INDIANA
DEPT. OF INSURANCE**

FINAL ORDER


The Enforcement Division of the Indiana Department of Insurance (“Department”), by counsel, Victoria Hastings, and Liberty Mutual Insurance Company (“Respondent”), a licensed nonresident insurance company, signed an Agreed Entry which purports to resolve all issues involved in the above-captioned cause number, and which has been submitted to the Commissioner of the Indiana Department of Insurance (“Commissioner”) for approval.

The Commissioner, after reviewing the Agreed Entry, which imposes a civil penalty in the amount of five thousand dollars (\$5,000) for a violation of the unfair claim settlement practices, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry, attached, as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED by the Commissioner as follows:

1. Respondent shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the Department within thirty (30) days of the date of this Final Order.

8-1-2019
Date Signed


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Victoria Hastings, Attorney
ATTN: Phil Holleman, Investigator
INDIANA DEPARTMENT OF INSURANCE
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204-2787

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, MA 02116

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STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by and between the Indiana Department of Insurance (“Department”), by counsel, Victoria Hastings, and Liberty Mutual Insurance Company (“Respondent”), a nonresident insurance company licensed to do business in Indiana, to resolve all issues in the above-captioned cause number. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Commissioner of the Indiana Department of Insurance (“Commissioner”).

WHEREAS, Respondent is a property and casualty insurer, NAIC ID 23043, holding a valid Indiana certificate of authority since 1919;

WHEREAS, Respondent adjusted a hail damaged roof claim at a residence in Westfield, Indiana, for a loss occurring on or about April 26, 2017;

WHEREAS, on or about June 13, 2017 a second loss occurred at the same residence causing extensive interior damage and loss to personal property;

WHEREAS, the second loss occurred due to the roof work because the shingles were removed but not yet replaced when a storm came through causing the interior damage;

WHEREAS, an adjuster for Respondent informed the homeowner (the "Consumer") that the interior damage and loss to personal property would be covered by the Consumer's policy;

WHEREAS, the adjuster for Respondent advised the Consumer to have appraisals done for the damaged personal property, have a contractor come to the home and dry out the personal property, and compile a list of the damaged personal property;

WHEREAS, on or about April 3, 2018, Respondent subsequently paid the structure claim for the roof damage, and reiterated to Consumer that it would cover the interior damage and loss to personal property;

WHEREAS, on or about June 22, 2018, Respondent denied the second claim stating the loss was due to water damage to personal property inside the residence while the roof was removed during roof repairs and was a peril excluded in the consumer's policy;

WHEREAS, Indiana Code § 27-1-15.6-12(b)(2)(A) states, in part, that the Commissioner may levy a civil penalty against an insurance producer for violating an insurance law;

WHEREAS, Indiana Code § 27-4-1-4.5(2) is an insurance law that states, in part, that it is an unfair claims settlement practice to fail to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

WHEREAS, the Department asserts Respondent's handling of the claim and failing to acknowledge and act reasonably prompt upon communications with respect to the claim was in violation of Indiana Code § 27-4-1-4.5(2);

WHEREAS, Brooke Bass, Manager-Claim Field Operations, is authorized to act on behalf of Respondent and obligate them to perform in accordance with this agreement; and

WHEREAS, the Department and Respondent (collectively, the "Parties") desire to resolve this matter without the necessity of a hearing.

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

1. The Commissioner has jurisdiction over the subject matter and the Parties to this Agreed Entry.
2. In order to avoid formal litigation in this matter, Respondent has determined that it is in their best interests to enter into this Agreed Entry. As such, Respondent acknowledges that they execute this Agreed Entry with full realization of its contents and effects.
3. This Agreed Entry is executed knowingly, voluntarily, and freely by the Parties. The Parties agree that the terms of this Agreed Entry constitute final resolution of this matter.
4. Respondent knowingly, voluntarily and freely waives the right to a public hearing on this matter, including the right to appear in person before the Commissioner, present evidence, cross-examine witnesses, and present arguments.
5. Respondent knowingly, voluntarily and freely waives the right to judicial review of this matter or otherwise appeal or challenge the validity of this Agreed Entry.
6. Respondent knowingly, voluntarily, and freely waives, releases, and forever discharges all claims or challenges, known or unknown, against the Department, its Commissioner, employees, agents, and representatives, in their individual and official capacities, that arise out of or are related to the Agreed Entry or Final Order, including but not limited to any act or omission as part of the underlying audit, investigation, negotiation, or approval process.

7. Respondent agrees to pay a civil penalty in the amount of five thousand dollars (\$5,000) to the Department within thirty (30) days from the date of the Commissioner's Final Order in this matter.
8. Respondent has carefully read and examined this agreement and fully understand its terms.
9. Respondent has had the opportunity to have this Agreed Entry reviewed by legal counsel of their choosing, at their own expense, and is aware of the benefits gained and obligations incurred by the execution of this Agreed Entry. Respondent understands and agrees that the Department cannot give them legal advice.
10. Respondent has entered into this Agreed Entry knowingly, voluntarily and freely, and has not been subject to duress, threat or undue influence.
11. This Agreed Entry constitutes the entire agreement between the Parties, and no other promises or agreements, express or implied, have been made by the Department or by any employee, director, agent or other representative thereof to induce Respondent to enter this Agreed Entry.
12. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as full satisfaction of this matter, and warrants and represents that so long as Respondent complies with the terms of this Agreed Entry, the Department will not bring any further action against Respondent based on the facts that gave rise to this Agreed Entry.
13. In the event the Department finds there has been a breach of any of the provisions of this Agreed Entry, the Department may reopen this matter and pursue alternative action pursuant to Indiana Code § 27-1-15.6-12.

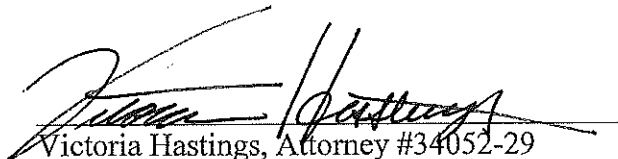
14. Respondent waives any applicable statute of limitations for purposes of any enforcement of the terms and conditions of this Agreed Entry.
15. Respondent acknowledges that this Agreed Entry may be admitted into evidence in any judicial or administrative proceeding against Respondent to enforce the terms and conditions contained herein.
16. Respondent understands that this Agreed Entry resolves only the matter pending with the Department and does not affect any criminal prosecution or civil litigation that may be pending or hereinafter commence against Respondent.
17. This Agreed Entry does not in any way affect the Department's authority in future audits, investigations, examinations, negotiations, or other complaints involving Respondent.
18. It is expressly understood that this Agreed Entry is subject to the Commissioner's acceptance and has no force or effect until such acceptance is evidenced by the entry of a Final Order by the Commissioner.
19. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to, and consideration of this Agreed Entry by the Commissioner, shall not unfairly or illegally prejudice the Commissioner or Respondent from further participation in or resolution of these proceedings.
20. If this Agreed Entry is accepted by the Commissioner, it will become part of Respondent's permanent record and may be considered in future actions brought by the Department or any other regulator against Respondent. It is further understood that, if accepted by the Commissioner, this Agreed Entry and resulting Final Order are public records pursuant to Indiana Code § 4-21.5-3-32 that may

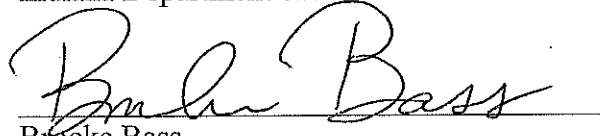
not be sealed or otherwise withheld from the public, and may be reported to the National Association of Insurance Commissioners and published on the Department's website as required.

21. Respondent acknowledges that this is an Administrative Action they may be required to report to other jurisdictions in which they are licensed and on future licensing applications.

7/26/19
Date Signed

7/11/19
Date Signed


Victoria Hastings, Attorney #34052-29
Indiana Department of Insurance


Brooke Bass
Manager-Claim Field Operations
Liberty Mutual Insurance

STATE OF MASSACHUSETTS)
COUNTY OF Suffolk) SS:

Before me a Notary Public for Suffolk County, State of Massachusetts, personally appeared Brooke Bass, Manager-Claim Field Operations, on behalf of Liberty Mutual Insurance Company and being first duly sworn by me upon their oath, says that the facts alleged in the foregoing instrument are true.

Signed and sealed this 11 day of July, 2019.

Kerry Roberts
Signature

Kerry Roberts
Printed

My Commission expires: 7.9.21

County of Residence: Norfolk

