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

IN THE MATTER OF:)

CENTURY-NATIONAL)
INSURANCE COMPANY)
[NAIC CoCode 26905])

Case no. C-2018-75FM
Enf. 110397

CONSENT ORDER

This Consent Order is entered with the agreement of the Department of Insurance of the State of Alabama and Century-National Insurance Company:

1. This Consent Order is effective at the date specified below upon signature by the Commissioner of Insurance.

2. As used in this Consent Order:

2.1 "Century-National" refers to Century-National Insurance Company [NAIC CoCode 26905], a foreign insurance company authorized to transact the business of insurance in Alabama.

2.2 "Commissioner" means the Commissioner of Insurance of the State of Alabama.

2.3 "Department" means the Department of Insurance of the State of Alabama.

3. The Department and Century-National enter into this Consent Order to resolve certain issues concerning whether Century-National has complied with Department regulation 482-1-152 as described herein, to avoid the filing of an administrative complaint by the Department or other action by the Commissioner concerning the violations alleged herein, and, if needed, to afford Century-National the opportunity to cure certain conditions the Department asserts are not in compliance with Department regulation 482-1-152.

4. Century-National unconditionally WAIVES (i) any right or requirement that an administrative complaint be filed or other administrative process commenced by the Department as a predicate for the validity and binding effect of this Consent Order, and (ii) any right to judicial

review of this Consent Order, or the circumstances giving rise to this Consent Order, in any State or Federal Court and regardless of legal claim or theory.

5. Century-National acknowledges that it has been informed that it can be represented by counsel of its choosing at its expense in connection with this Consent Order.

6. **Information about this Consent Order will be reported as an “administrative proceeding” to centralized data registries operated under authority of the National Association of Insurance Commissioners (NAIC). Century-National must determine whether it must timely report this Consent Order in other States where it has authority to do the business of insurance. Century-National understands that this Consent Order, when entered, will constitute a public record for purposes of any applicable statutes governing access by the public to government records and may be accessible from the Department’s Internet web-site without a records request. Except as stated, the Department will not affirmatively publicize the fact of this Consent Order.**

7. The Department and Century-National stipulate to the following for purposes of this Consent Order:

7.1 The Commissioner has jurisdiction to accept and enter this Consent Order.

7.2 Department regulation 482-1-152, which concerns personal property by-peril rating requirements, was adopted as a Department regulation after hearing on September 23, 2013, and became effective on October 3, 2013. For purposes of this Consent Order, Century-National admits that it was aware of Department regulation 482-1-152.

7.3 As relevant to this Consent Order, regulation 482-1-152 requires that, for new homeowner, renters/tenants, and condominium (unit owner) policies becoming effective on or after January 1, 2018, and renewal business becoming effective on or after January 1, 2018, separate premiums for hurricane coverage, all other wind/hail coverage, and all other perils coverage must be approved by the Department and prominently displayed either on the policy declaration page, renewal declarations page, renewal certificate, or on a supplemental declarations page; on the billing statement or supplemental page to the billing statement; on the outline of coverage and comprehensive policy checklist or supplemental page to that checklist; or some other document that will be readily seen by the insured.

7.4 During the first quarter of calendar year 2018, Century-National wrote tenants or renters insurance in Alabama within the scope of its authority under its certificate. Century-National agrees that said business was subject to Department regulation 482-1-152.

7.5 The Department alleges, and Century-National does not contest, that, during the said first quarter of calendar year 2018, new and renewal coverage subject to Department regulation 482-1-152 did not comply with said regulation. Century-National alleges, and the Department does not dispute, that 1,785 new and renewal policies furnished to policy holders in Alabama were noncompliant with Department regulation 482-1-152.

7.6 Under Ala. Code § 27-2-17(e), willful failure to comply with, or willful violation of, a material provision of a rule or regulation may be treated by the Commissioner as a

failure to comply with or violation of the Alabama Insurance Code [Ala. Code Tit. 27] and can lead to suspension or revocation of an insurer's certificate of authority to do business in Alabama.

8. In lieu of commencing proceedings to suspend or revoke Century-National's certificate of authority under Ala. Code §§ 27-2-17(e) and 27-3-21(a), the Department and Century-National agree that this matter is resolved on the following conditions:

8.1 Century-National must return this Consent Order, signed by an appropriate officer of the company with authority, so that it is received by the Department by the close of business [5:00 p.m. CT] on **Monday, July 2, 2018**. Said signed copy of this Consent Order may be mailed to the attention of the Department's counsel at Post Office Box 303351, Montgomery, Alabama 36130-3351; sent to the attention of the Department's counsel by express at RSA Tower Suite 502, 201 Monroe Street, Montgomery, Alabama 36104; or sent as a PDF attachment to an electronic mail to the Department's counsel at john.mcdonald@insurance.alabama.gov.

8.2 Century-National shall pay to the order of the Commissioner the sum of **seventeen thousand eight hundred fifty and NO/100 dollars [\$17,850.00]** so that such payment is received in the Department by the close of business on **Monday, July 2, 2018**. Payment should be sent to the attention of the Department's counsel at Post Office Box 303351, Montgomery, Alabama 36130-3351, or, if by express, to RSA Tower Suite 502, 201 Monroe Street, Montgomery, Alabama 36104. Payment shall be made on the basis of this Consent Order and the amount due shall not be separately invoiced. Said payment is not a fine, but is accepted by the Department as an administrative fee in reimbursement of the labor incurred by Department employees to investigate the circumstances set forth in this Consent Order and to prepare this Consent Order.

8.3 Any representations made by Century-National in connection with the circumstances set forth in this Consent Order, including, without limitation, the policy count set forth in section (7.5) above, are truthful and accurate to the best of Century-National's knowledge, information, and belief.

8.4 By **Monday, July 2, 2018**, Century-National shall take such actions to comply with the requirements of Department regulation 482-1-152 if needed. Century-National shall hereafter timely comply with all applicable aspects of Department regulation 482-1-152 as long as it holds a certificate of authority to transact the business of insurance in Alabama and does business in Alabama within the scope of said regulation. Century-National acknowledges that any future alleged violation of Department regulation 482-1-152 may not be resolved along the same lines set forth in this Consent Order.

8.5 The Department shall not take further action on the matters resolved by this Consent Order as long as Century-National has complied with the terms hereof.

9. Failure to comply with the terms provided in section (8) above shall allow the Commissioner or the Department, in their respective sole discretion, to deem this Consent Order as null and void and to proceed with such further action as may be indicated by the circumstances.

10. Century-National's compliance with the terms of this Consent Order, including, without limitation, the payment required in the above section (8.2), shall not be construed as

Century-National's express or implied admission that it has willfully failed to comply with, or has willfully violated, Department regulation 482-1-152.

11. The parties agree that this Consent Order may be entered and is effective with facsimile signatures of any party transmitted by electronic means.

This _____ day of _____, 2018.

Jim L. Ridling
Commissioner of Insurance – State of Alabama

RECOMMENDED AND CONSENTED TO BY:

J. Fairley McDonald, III

Chief Counsel
ALABAMA DEPARTMENT OF INSURANCE
Legal Division
Post Office Box 303351
Montgomery, Alabama 36130-3351

Date: _____

CONSENTED TO BY:

Century-National Insurance Company, a California corporation

By: _____

As its: _____

Date: _____

APPROVED AS TO FORM
[if applicable]:

As counsel for Century-National Insurance Company

Address: _____

Date: _____

