

June 6, 2018

SVP & Counsel  
AmTrust NGH Group  
2839 Paces Ferry Road, Suite 550  
Atlanta, GA 30339

RE: Commerce Department File No: 52714  
E-Case No.: 2081

Dear Mr. Novak:

The Commissioner of Commerce is recommending that administrative action be taken against MIC General Insurance Corporation (NAIC # 38660) (“Company”) based on allegations that the Company has failed to provide a complete and/or timely response to the following Department of Commerce (“Department”) requests, in violation of Minn. Stat. §§ 45.027 Subd. 7 & 60A.031 Subd. 3 (2016).

1. On 1/23/18, pursuant to Request 13, the Department requested portfolio volume information for all lenders. This information was initially due on 2/1/18. The Company contacted the Department requesting an extension until 2/8/18 to provide this information, and the Department approved this request. On 2/13/18, the Department sent a reminder to the Company regarding this request. We required the information by 2/21/18. The Company responded on 2/13/18 and agreed to provide the information on or before 2/21/18.

The information was provided on 5/22/18, 103 days past the Company’s requested extended due date of 2/8/18, and 90 days past the Departments extended due date of 2/21/18.

2. On 1/23/18, pursuant to Request 15, the Department requested the Company to provide all rating worksheets for all lenders under all rate filings. This information was initially due on 2/1/18. The Company contacted the Department requesting an extension until 2/8/18 to provide this information, and the Department approved this request.

On 2/13/18, the Department sent a reminder to the Company regarding this request. We required the information by 2/21/18. The Company responded on 2/13/18 and agreed to provide the information on or before 2/21/18. On 3/30/18 the Department sent a reminder to the Company regarding this request. The Company did not respond to the 3/30/18 communication.

The information was provided on 5/22/18, 103 days past the Company's requested extended due date of 2/8/18, and 90 days past the Departments extended due date of 2/21/18.

3. On 1/23/18, pursuant to Request 19, the Department requested the Company to provide current and historical tracking fees charged to all lenders and for each tracking amount, including the cost to provide the service. This information was initially due on 2/1/18. The Company contacted the Department requesting an extension until 2/8/18 to provide this information, and the Department approved this request. Information for three lenders was provided on 2/8/18.

On 2/13/18, the Department sent a reminder to the Company regarding this request. We required the information by 2/21/18. The Company responded on 2/13/18 and agreed to provide the information on or before 2/21/18. On 3/30/18, the Department sent a reminder to the Company regarding this request. The Company did not respond to the 3/30/18 communication.

Information for the remaining lenders was not provided until 5/9/18, 90 days past the Company's requested extended due date of 2/8/18, and 77 days past the Departments extended due date of 2/21/18. When questioning a third party vendor on 5/2/18 about the outstanding lenders fees/costs, we were advised that they believed the Department had already received this information as they previously provided it the Company pursuant to our 1/23/18 request.

4. On 2/1/18, the Department requested certain information concerning the duties contained in the lender agreements regarding tracking services. The information was due on 2/14/18. The information pertaining to one of the lenders was provided on 2/14/18.

On 3/30/18 the Department sent a reminder to the Company regarding the outstanding items of this request. The Company did not respond to the 3/30/18 communication.

The information pertaining to the remaining lenders was produced on 5/22/18, 97 days past the due date. No contact or communication was received from the Company requesting an extension.

5. On 3/1/18, pursuant to Requests 12 and 20, the Department requested the Company to provide a reconciliation of the written and earned premium data provided in the policy file to calendar year Credit Insurance Experience Exhibit ('CIEE'), and to provide a reconciliation of the loss and loss adjustment expense data provided in the claims file to calendar year CIEE. The CIEE is required, as an Exhibit, as part of the Company's required Annual Statement filings. The original due date was 3/6/18. The Company contacted the Department requesting an extension to 4/30/18, an additional 55 days, to provide the data, and the Department approved the request. No additional extension requests were made by the Company. The premium reconciliation data was produced on 5/22/18, 22 days past the extended due date. The claims reconciliation data was produced on 5/30/18, 30 days past the extended due date.

The Company may agree to resolve the specific issues above by paying a civil penalty of \$25,000, and the Company is hereby released from any further liability for these issues. By signing this statement and paying the civil penalty by **June 15, 2018**, this specific issue will be resolved. Any requests for which the Company has not provided the required information or data remain outstanding.

With the Company's signing and the payment of the penalty, it agrees to the following:

1. That the violation as described occurred and it agrees to resolve it in this manner;
2. That it is aware of its right to a hearing and hereby waives that right;
3. That it has been advised of its right to legal counsel and that it has either had legal counsel or waives its right to legal counsel; and
4. That its check, payable to the State of Minnesota, accompanies this document.

\_\_\_\_\_  
(print name of signer)

\_\_\_\_\_  
(signature of signer)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_  
(Signature of notary officer)

Signed before me on \_\_\_\_\_ (date)

\_\_\_\_\_  
Title (and Rank)  
My Commission expires: \_\_\_\_\_

(stamp)

