

IN RE: ZENITH INSURANCE COMPANY

DOCKET NO. INS-04-223

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] CONSENT AGREEMENT
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Zenith Insurance Company (“Zenith”), the Maine Superintendent of Insurance (the “Superintendent”), and the Maine Office of the Attorney General hereby enter into this Consent Agreement, pursuant to 10 M.R.S.A. § 8003(5)(B), to resolve without an adjudicatory hearing issues arising out of Zenith’s failure to respond to an inquiry of the Superintendent.

Stipulations

- 1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. Zenith is a California stock insurance corporation with a principal place of business in Woodland Hills, California, and has been authorized by the Superintendent pursuant to 24-A M.R.S.A. § 414 to do business in the State of Maine as a workers’ compensation insurer.
3. On February 17, 2004, Bureau of Insurance Workers’ Compensation Division Supervisor Frank Kimball wrote a letter on behalf of the Superintendent, requesting that Zenith provide certain information regarding its insurance activities in Maine. Although the letter reminded Zenith of its obligation to reply within 30 days, Zenith did not do so, and admits that its failure to provide a timely response is a violation of 24-A M.R.S.A. § 220(2).

Covenants

Zenith, the Superintendent, and the Office of the Attorney General agree as follows:

- 4. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.
5. Zenith agrees to the imposition of a civil penalty of \$200, pursuant to 24-A M.R.S.A. § 12-A(1). A check for that amount, payable to the Treasurer of the State of Maine, shall be submitted at the time of the execution of this Agreement. Zenith further agrees to provide all information requested in the Bureau’s February 17, 2004 letter no later than May 24, 2004, unless that deadline is further extended in writing by the Superintendent upon a compelling showing of good cause.
6. In consideration of Zenith’s execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil or administrative sanction

for the actions described in the Stipulations, other than those agreed to in this Consent Agreement. However, should Zenith violate this Consent Agreement, the Superintendent reserves the right to pursue any available legal remedy for the violation, including without limitation the suspension or revocation of Zenith's certificate of authority to act as an insurer in the State of Maine.

7. The parties to this Agreement understand that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

8. Zenith understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408, and will be reported to the National Association of Insurance Commissioners' "RIRS" database.

9. Zenith has been advised of its right to consult with counsel, and has consulted with counsel before executing this Agreement.

10. This Consent Agreement may be modified only by a written agreement executed by all of the parties.

FOR ZENITH

Dated: May 19, 2004

(signature)

Lori Granato, Compliance & Acctg Manager
(printed name and title)

Personally appeared before me this day Lori Granato, and signed this Consent Agreement in my presence.

Eileen M. Powell
Notary Public

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: June 1, 2004

Thomas C. Sturtevant, Jr., AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated: 6-7-04

Alessandro A. Iuppa, Superintendent