

Before the State of South Carolina  
Department of Insurance

In the Matter of:

SCDOI File Number 11-3302

United States Fire  
Insurance Company  
P.O. Box 1973  
Morristown, NJ 07960

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**CONSENT ORDER**  
**Imposing Administrative Fine**  
**Company Code 100926**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance (SCDOI) and the above named insurer, a company licensed to transact business in South Carolina.

After careful review of the evidence presented, I find as follows:

**FINDINGS OF FACT**

1. United States Fire Insurance Company (USFIC) is a foreign insurance company issued company code 100926.
2. United States Fire Insurance Company accepted South Carolina insurance contracts from non-appointed producers.
3. United States Fire Insurance Company has reviewed its internal practices to ensure compliance.

**CONCLUSIONS OF LAW**

1. S.C. Code Ann. § SECTION 38-43-60 (A) provides;

(A) All business done in this State by insurers doing the business of insurance as defined in this title must be transacted by their regularly authorized producers licensed in this State or through applications of the producers.

2. S.C. Code Section 38-2-10 (1) provides:

If the violator is an insurer or a health maintenance organization licensed in this State, the director or his designee shall (a) fine the violator in an amount not to exceed fifteen thousand dollars, or (b) suspend or revoke the violator's authority to do business in this State, or both. If the violation is willful, the

director or his designee shall (a) fine the violator in an amount not to exceed thirty thousand dollars, or (b) suspend or revoke the violator's authority to do business in this State, or both.

United States Fire Insurance Company violated the laws of this State and was in violation of Section 38-43-60 and 38-2-10 when it accepted insurance contracts from producers not appointed by the company.

Prior to the initiation of any administrative proceedings by the Department against United States Fire Insurance Company, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke their authority, United States Fire Insurance Company would waive their right to a public hearing and pay an administrative fine in the total amount of ten thousand dollars (\$10,000.00). **The administrative fine will be paid within thirty (30) days of receipt of this order.**

Although I can now revoke the producer license, I hereby invoke the discretionary authority given to me and impose an administrative fine against United States Fire Insurance Company in the total amount of ten thousand dollars (\$10,000.00). That fine must be paid as prescribed in the preceding paragraph. If that total fine amount is not timely paid, the company authority will be revoked without any further disciplinary proceedings.

This fine is subject to the expectation that United States Fire Insurance Company will comply with all statutes and regulations of this Department. This fine includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties expressly agree and understand payment of the agreed upon fine constitutes full accord and satisfaction of this matter. By the signature of the president of United States Fire Insurance Company or designee upon this consent order, United States Fire Insurance Company acknowledges this administrative order as a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110 (Supp. 2004).

THEREFORE, it is ordered that United States Fire Insurance Company shall, pay through the South Carolina Department of Insurance an administrative fine in the total amount of ten thousand dollars (\$10,000.00).

It is FURTHER ORDERED that the National Association of Insurance Commissioners be immediately be notified of this consent order.

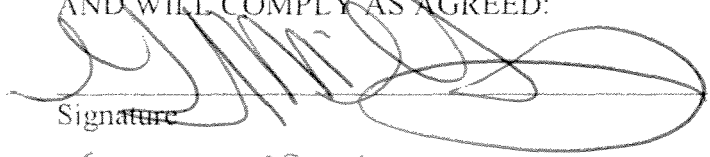
This consent order becomes effective as of the date of my signature below.



Gwen Fuller McGriff  
Acting Director of Insurance

Dated this 17<sup>th</sup> day of June 2012  
Columbia, South Carolina

UNITED STATES FIRE INSURANCE COMPANY CONSENTS TO THIS ORDER  
AND WILL COMPLY AS AGREED:



Signature

Gary McGreddy  
Printed Name

Executive Vice President  
Title

United States Fire Insurance Company  
305 Madison Avenue  
Morristown, NJ 07962

Dated this 25 day of June 2012.