

Ecase No. 420  
Report I.D. No. 5171

STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE

State of Minnesota  
Dept. of Commerce  
APR 17 2009  
Paid \$ 15,000

In the Matter of the Certificate of Authority  
of Homesite Insurance Company of the Midwest,  
a North Dakota corporation licensed  
to do business in the State of Minnesota.  
NAIC No. 13927.

**CONSENT ORDER**

TO: Homesite Insurance Company of the Midwest  
99 Bedford Street  
Boston, MA 02111

Commissioner of Commerce Glenn Wilson (hereinafter "Commissioner") has determined  
as follows:

1. The Commissioner has advised Homesite Insurance Company of the Midwest  
(hereinafter "Respondent") that as a result of an investigation by the Commissioner concerning  
Respondent's conduct as a corporation engaged in the business of insurance in Minnesota, the  
Commissioner is prepared to commence formal proceedings in accordance with the provisions of  
Minn. Stat. § 45.027 (2008) against Respondent's Certificate of Authority to engage in the  
business of insurance in Minnesota based on allegations that Respondent:

- A. Failed to provide, within the appropriate time frames, notices to homeowners'  
insurance policyholders whose deductibles were increased by the company at  
renewal, pursuant to Minn. Stat. § 65A.29, Subd. 7 (2008);
- B. Failed to respond to Department correspondence in a timely manner, in violation  
of Minn. Stat. § 45.027, Subd. 1a. (2008);

- C. Attempted to settle homeowners insurance claims with Replacement Cost Value for less than the sum necessary to repair or replace the damaged property with like kind and quality materials, in violation of Minn. Stat. § 72A.201, Subd. 5(6) and (8) (2008).
2. Respondent has implemented corrective actions that address certain instances involving time limits in dealings with its insureds in order to achieve compliance with the standards under Minn. Stat. § 72A.20, Subd. 12(2), (3) and (4) (2008) and Minn. Stat. § 72A.201, Subd. 4(2) and 5(5) (2008).
3. It is noted that Respondent, as part of the resolution of this matter, has reopened certain claims and has paid additional amounts towards those claims in response to this Department's suggestion.
4. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings or has been advised of its right to counsel, which right it hereby waives.
5. Respondent has agreed to an informal disposition of this matter without a hearing, as provided under Minn. Stat. § 14.59 (2008) and Minn. R. 1400.5900 (2007).
6. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, Subd. 6 (2008) that Respondent shall pay to the State of Minnesota a civil penalty of \$15,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 4-21-09.

GLENN WILSON  
Commissioner

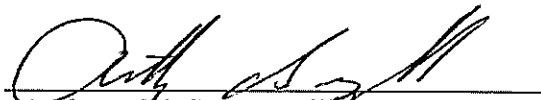
By:   
EMMANUEL MUNSON-REGALA  
Deputy Commissioner

85 Seventh Place East, Suite 500  
St. Paul, Minnesota 55101  
Telephone: (651)296-2488

**CONSENT TO ENTRY OF ORDER**

The undersigned, acting on behalf of Homesite Insurance Company of the Midwest, states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effect; that he/she is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he/she has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he/she has been advised of Respondent's right to be represented by legal counsel and that he/she has waived this right; and that he/she consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

**Homesite Insurance Company of the Midwest**

By:   
Anthony M. Scavongelli


Its: Secretary and Vice President

STATE OF Massachusetts


COUNTY OF Suffolk

This instrument was acknowledged before me on April 16, 2009 (date) by Anthony M. Scavongelli (name(s) of person(s)) as Secretary (type of authority, e.g., officer, trustee, etc.) of Homesite Insurance Company of the Midwest (name of party on behalf of whom the instrument was executed).

(stamp)

  
(Signature of notary officer) Maureen Fidler

Title (and Rank): Corporate Responsibility Assoc  
My commission expires: 9/14/2012

 **MAUREEN FIDLER**  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
September 14, 2012