



8. American Guarantee & Liability Insurance Company is domiciled in the State of New York and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.

9. Assurance Company of America is domiciled in the State of New York and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.

10. Valiant Insurance Company is domiciled in the State of Iowa and is authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.

11. Pursuant to 24-A M.R.S.A. §§ 2382-B(2) and 2384-C, each workers' compensation insurer doing business in Maine must participate in a data collection system established for the purpose of evaluating the costs and operation of the workers' compensation benefit delivery process and must report its experience to the National Council on Compensation Insurance (NCCI), the statistical advisory organization designated by the Superintendent, in accordance with the uniform statistical plan established by NCCI and approved by the Superintendent.

12. One component of the approved statistical plan is the request for Detailed Claims Information (DCI), under which carriers are required to randomly select a specified percentage of indemnity claims arising each month and report additional information on these claims, in order to provide insight into the underlying elements driving the aggregate costs of workers' compensation insurance.

13. The Maine DCI reporting framework applies to claims effective January 1996 and after. Although the Zurich companies reported 64 DCI claims in 1996, the number of reported claims dropped to 16 in 1997, and ranges between zero to three claims per year in subsequent years. Unit statistical reporting indicates a higher expected volume of DCI.

14. By its failure to conduct required data reporting in an adequate manner, each respondent Zurich company violated 24 A M.R.S.A. §§ 2382-B(2) and 2384-C.

#### *Covenants*

The Zurich Companies, the Superintendent, and the Department of the Attorney General agree to the following:

15. 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.

16. As respondents Centre Insurance Company, American Guarantee & Liability Insurance Company, Assurance Company of America, and Valiant Insurance Company wrote no Maine workers' compensation premium during the relevant time period, no civil penalty will be assessed against those companies. Pursuant to 24 A M.R.S.A. § 12-A, each of the other six respondent Zurich Companies agrees to pay a civil penalty of \$600 for the violations admitted

herein. A check for \$3600, payable to the Treasurer of the State of Maine, shall be submitted at the time of the execution of this Agreement.

17. The Zurich Companies jointly agree to develop a DCI compliance plan acceptable to both NCCI and the Superintendent, including retroactive reporting to the extent feasible, and to submit a proposal within 20 days after the execution of this Agreement.

18. In consideration of the Zurich Companies' 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 any Zurich Company 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 that company's certificate of authority to transact insurance in the State of Maine.

19. 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.

20. The Zurich Companies understand and acknowledge 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.

21. The Zurich Companies have been advised of their right to consult with counsel, and have consulted with counsel before executing this Agreement.

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

FOR THE ZURICH COMPANIES

Dated: \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(printed name and title)

Personally appeared before me this day \_\_\_\_\_, and signed this Consent Agreement in my presence.

\_\_\_\_\_  
Notary Public

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated: \_\_\_\_\_

Thomas C. Sturtevant, Jr., AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

\_\_\_\_\_  
Alessandro A. Iuppa, Superintendent