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FILED 

MAY 10 2012

Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

ZURICH AMERICAN INSURANCE
COMPANY, concerning its following
underwriting subsidiaries:

MARYLAND CASUALTY COMPANY
Idaho Certificate of Authority No. 315
NAIC No. 19356;

NORTHERN INSURANCE COMPANY OF
NEW YORK
Idaho Certificate of Authority No. 439
NAIC No. 19372;

and

ASSURANCE COMPANY OF AMERICA
Idaho Certificate of Authority No. 917
NAIC No. 19305.

Docket No. 18-2760-12

**ORDER GRANTING REQUEST
FOR BLOCK NON-RENEWAL**

On March 27, 2012, the State of Idaho, Department of Insurance (Department), received
a letter from Zurich American Insurance Company (ZURICH AMERICAN) dated March 26,

2012, notifying the Department's Director (Director) of its intent that three of its underwriting subsidiaries, Maryland Casualty Company, Northern Insurance Company of New York, and Assurance Company of America, will block non-renew commercial insurance policies included in a book of business identified by ZURICH AMERICAN as Small Business Solutions (SBS), comprised of business owners, commercial auto, workers' compensation, and other lines of commercial insurance. ZURICH AMERICAN represented in its March 26, 2012 letter that the proposed non-renewals will affect nine hundred seventy-one (971) Maryland Casualty Company policies, one hundred five (105) Northern Insurance Company of New York policies, and one hundred seventy-five (175) Assurance Company of America policies issued to or covering Idaho residents. ZURICH AMERICAN further represented in its letter that the three named underwriting subsidiaries will begin non-renewing the affected policies on or about May 1, 2013, and that the non-renewals will continue for one full cycle through approximately May 1, 2014.

ZURICH AMERICAN represented in its March 26, 2012 letter that it expects Foremost Insurers to offer coverage to the vast majority of the SBS policyholders. ZURICH AMERICAN further represented that it expects Foremost Insurers to match the coverage terms and rates afforded to the SBS policyholders under the policies issued by ZURICH AMERICAN's underwriting subsidiaries referenced above.

The proposed effective date of the contemplated block non-renewals complies with the one hundred twenty (120) day notice requirement set forth in Idaho Code § 41-1841(1).

The Director having reviewed the foregoing, the requirements of Idaho Code § 41-1841(1) having been met, and good cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED that the three underwriting subsidiaries of ZURICH AMERICAN, Maryland Casualty Company, Northern Insurance

Company of New York, and Assurance Company of America, are authorized, pursuant to Idaho Code § 41-1841, to effectuate a block non-renewal of all of their commercial insurance policies issued to or covering Idaho residents that are included in the book of business identified by ZURICH AMERICAN as Small Business Solutions, which is comprised of business owners, commercial auto, workers' compensation, and other lines of commercial insurance. The three named underwriting subsidiaries of ZURICH AMERICAN set forth above may begin non-renewing the affected policies no sooner than May 1, 2013, which non-renewals will affect the numbers of Idaho policies set forth above. The three underwriting subsidiaries of ZURICH AMERICAN named herein shall provide reasonable notice to policyholders affected by the non-renewals authorized by this order in accordance with the notice provisions included in the applicable insurance policies issued by each.

THIS ORDER is a final order of the Director and is EFFECTIVE IMMEDIATELY.

NOTIFICATION OF RIGHTS

This is a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or

- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED this 9TH day of May, 2012.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 10th day of May, 2012, I caused a true and correct copy of the foregoing ORDER GRANTING REQUEST FOR BLOCK NON-RENEWAL to be served upon the following by the designated means:

Zurich American Insurance Company
1400 American Lane
Schaumburg, IL 60196-1056

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Maryland Casualty Company
1400 American Lane
Schaumburg, IL 60196-1056

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Northern Insurance Company of New York
1400 American Lane
Schaumburg, IL 60196-1056

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Assurance Company of America
1400 American Lane
Schaumburg, IL 60196-1056

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

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Boise, ID 83720-0043

- ☐ first class mail
- ☐ certified mail
- ☒ hand delivery
- ☐ via facsimile



Teresa Jones
Assistant to the Director