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FILED

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Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
OF THE STATE OF IDAHO**

In the Matter of:

WEST AMERICAN INSURANCE
COMPANY, Idaho Certificate of Authority
No. 2843, NAIC ID No. 44393;

THE OHIO CASUALTY INSURANCE
COMPANY, Idaho Certificate of Authority
No. 342, NAIC ID No. 24074;

and

SAFECO INSURANCE COMPANY OF
ILLINOIS, Idaho Certificate of Authority
No. 1618, NAIC ID No. 39012,

which companies are all affiliates of
LIBERTY MUTUAL GROUP,
Group No. 111, NAIC ID No. 1112.

Docket No. 18-2931-14

**ORDER GRANTING REQUEST FOR
BLOCK NON-RENEWAL; FOR
CANCELLATION AND
REWRITING OF CERTAIN
POLICIES; AND FOR TRANSFER
OF CERTAIN POLICIES**

On or about December 20, 2013, the State of Idaho, Department of Insurance (Department), received from LIBERTY MUTUAL GROUP (LIBERTY MUTUAL), a letter dated December 20, 2013, notifying the Department's Director that two of its affiliates, THE

WEST AMERICAN INSURANCE COMPANY (WEST AMERICAN) and OHIO CASUALTY INSURANCE COMPANY (OHIO CASUALTY), intend to block non-renew all of their dwelling fire, inland marine, umbrella, and watercraft insurance policies delivered or issued for delivery in Idaho, beginning April 17, 2014. LIBERTY MUTUAL represented to the Department that, as of February 24, 2014, the proposed block non-renewal will affect ninety-four (94) dwelling fire policies; one (1) inland marine policy; six (6) umbrella policies; and three (3) watercraft policies issued by WEST AMERICAN and forty-three (43) dwelling fire policies issued by OHIO CASUALTY. The proposed effective date of the contemplated block non-renewal complies with the one hundred twenty (120) day notice requirement set forth in Idaho Code § 41-1841.

On or about December 20, 2013, the Department received from LIBERTY MUTUAL a second letter dated December 20, 2013, seeking permission to transfer WEST AMERICAN's personal auto insurance policies delivered or issued for delivery in Idaho to SAFECO INSURANCE COMPANY OF ILLINOIS (SAFECO), another LIBERTY MUTUAL affiliate, effective April 17, 2014. LIBERTY MUTUAL represented to the Department that, as of February 24, 2014, the proposed transfer will affect one hundred three (103) personal auto policies issued to or covering Idaho residents. LIBERTY MUTUAL has agreed and represented to the Department that the affected personal auto insurance policies will be transferred from WEST AMERICAN to SAFECO without any additional surcharge, and without any re-underwriting or pulling of credit reports of affected insureds, and that such policies will be transferred on a "price match" basis, *i.e.*, at a price equal to the expiring premium for the first policy term with SAFECO. LIBERTY MUTUAL has further represented that WEST AMERICAN will comply with the notice requirements to its affected policyholders of Idaho

Code § 41-2508, and that such policyholders shall have the option to retain their existing personal auto insurance coverage with WEST AMERICAN.

On or about December 20, 2013, the Department received from LIBERTY MUTUAL a third letter dated December 20, 2013, seeking permission to cancel WEST AMERICAN's personal property insurance policies delivered or issued for delivery in Idaho and rewrite such policies through SAFECO, effective April 17, 2014. LIBERTY MUTUAL represented in that letter that, as of February 24, 2014, the proposed transactions will affect one hundred eighty-six (186) personal property policies issued to or covering Idaho residents. LIBERTY MUTUAL has agreed and represented to the Department that the proposed transaction will include no additional surcharge, re-underwriting, or pulling of policyholder credit reports, and that such transaction will proceed on a "price match" basis, *i.e.*, at a price equal to the expiring premium for the first policy term with SAFECO.

The Director, having reviewed the foregoing and the requirements of Idaho Code § 41-1841(1), and acting pursuant to the authority set forth in Idaho Code § 41-210(2), and it appearing that the interests of insureds affected by the transactions set forth above will be protected under the terms set forth herein,

NOW THEREFORE, IT IS HEREBY ORDERED that WEST AMERICAN and OHIO CASUALTY are authorized, pursuant to Idaho Code § 41-1841, to effectuate a block non-renewal of their dwelling fire, inland marine, umbrella, and watercraft insurance policies delivered or issued for delivery in Idaho, beginning no sooner than April 17, 2014, which non-renewals will affect the numbers of Idaho policies set forth above. WEST AMERICAN and OHIO CASUALTY shall provide a minimum of thirty (30) days' notice to policyholders

affected by the block non-renewals authorized by this order, or such longer notice period as provided in the notice provisions included in the companies' applicable insurance policies.

IT IS FURTHER ORDERED that WEST AMERICAN is authorized to transfer its personal auto insurance policies delivered or issued for delivery in Idaho as described above to SAFECO, effective no sooner than April 17, 2014. Such transfers shall be free of any additional surcharge, re-underwriting, and pulling of policyholder credit reports, and will be made on a "price match" basis, as set forth above. WEST AMERICAN shall comply with the notice provisions of Idaho Code § 41-2508, and the affected policyholders shall have the option to retain coverage with WEST AMERICAN.

IT IS FURTHER ORDERED that WEST AMERICAN is authorized to cancel its personal property insurance policies delivered or issued for delivery in Idaho and rewrite such policies through SAFECO, beginning no sooner than April 17, 2014. Such transactions shall be free of any additional surcharge, re-underwriting, and pulling of policyholder credit reports, and will be made on a "price match" basis, as set forth above. WEST AMERICAN shall provide reasonable advance notice to policyholders affected by the transactions authorized in this paragraph in accordance with the notice provisions included in the applicable insurance policies, but in no event shall such advance notice be less than thirty (30) days.

THIS ORDER is a final order of the Director and is effective immediately.

DATED this 11th day of March, 2014.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

for  WILLIAM W. DEAL
Director

NOTIFICATION OF RIGHTS

This Order constitutes 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 Director 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 may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a 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 a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of March, 2014, I caused a true and correct copy of the foregoing ORDER GRANTING REQUEST FOR BLOCK NON-RENEWAL; FOR CANCELLATION AND REWRITING OF CERTAIN POLICIES; AND FOR TRANSFER OF CERTAIN POLICIES to be served upon the following by the designated means:

West American Insurance Company
175 Berkeley Street
Boston, MA 02116

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

The Ohio Casualty Insurance Company
175 Berkeley Street
Boston, MA 02116

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

Safeco Insurance Company of Illinois
175 Berkeley Street
Boston, MA 02116


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

Liberty Mutual Group
Attn: Steven Rulison, Director of State Operations
175 Berkeley Street
Boston, MA 02116

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

Richard B. Burleigh
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
Boise, ID 83702

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


Teresa Jones