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Department of Insurance
State of Idaho

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

In the Matter of:

EMPIRE FIRE AND MARINE
INSURANCE COMPANY
Idaho Certificate of Authority No. 267
NAIC No. 21326;

EMPIRE INDEMNITY INSURANCE
COMPANY
Idaho Certificate of Authority No. 1952
NAIC No. 21334;

and

FIDELITY AND DEPOSIT COMPANY
OF MARYLAND
Idaho Certificate of Authority No. 1440
NAIC No. 39306,

which companies are underwriting
subsidiaries of ZURICH AMERICAN
INSURANCE COMPANY,
NAIC Group 0212.

Docket No. 18-2917-14

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

On October 28, 2013, the State of Idaho, Department of Insurance (Department), received from Zurich American Insurance Company (ZURICH AMERICAN) a letter dated October 24, 2013, notifying the Department's Director that three of its underwriting subsidiaries, EMPIRE FIRE AND MARINE INSURANCE COMPANY (EMPIRE), EMPIRE INDEMNITY INSURANCE COMPANY (EMPIRE INDEMNITY), and FIDELITY AND DEPOSIT COMPANY OF MARYLAND (FDCM) intend to block non-renew homeowners and dwelling insurance policies included in a book of business identified by ZURICH AMERICAN as the QBE First Homeowners Program. ZURICH AMERICAN represented in such letter that its underwriting subsidiaries named above will begin non-renewing the affected policies on or about March 1, 2014. ZURICH AMERICAN further represented to the Department that the proposed non-renewals will affect thirty-five (35) EMPIRE and four (4) FDCM policies issued to or covering Idaho residents, and that there are no EMPIRE INDEMNITY policies currently in force issued to or covering Idaho residents.

ZURICH AMERICAN represented in its October 24, 2013, letter that it expects QBE First Insurance Agency to offer replacement coverage to eligible affected policyholders.

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(1), so long as such non-renewals occur on or after February 25, 2014.

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

NOW THEREFORE, IT IS HEREBY ORDERED that EMPIRE FIRE AND MARINE INSURANCE COMPANY, EMPIRE INDEMNITY INSURANCE COMPANY, and FIDELITY DEPOSIT COMPANY OF MARYLAND are authorized, pursuant to Idaho Code § 41-1841, to

effectuate a block non-renewal of all homeowners and dwelling insurance policies issued by such companies to or covering Idaho residents that are included in the book of business identified by ZURICH AMERICAN as the QBE First Homeowners Program. Such companies may begin non-renewing the affected policies no sooner than February 25, 2014, which non-renewals will affect the numbers of Idaho policies set forth above. Such companies 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.

DATED this 14th day of January, 2014.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

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.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 14th day of January, 2014, 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
13810 FNB Parkway
Omaha, NE 68154

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

Empire Fire and Marine Insurance Company
1400 American Lane
Schaumburg, IL 60196-1056

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

Empire Indemnity Insurance Company
1400 American Lane
Schaumburg, IL 60196-1056


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

Fidelity and Deposit Company of Maryland
1400 American Lane
Schaumburg, IL 60196-1056

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

A. René Martin
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

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



Teresa Jones
Assistant to the Director