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**FILED**  
**AUG 23 2021** *AM*  
Department of Insurance  
State of Idaho

*Attorneys for Idaho Department of Insurance*

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

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

WELLFLEET INSURANCE COMPANY,  
an Indiana-domiciled insurance company  
holding Idaho Certificate of Authority  
No. 2840,

Respondent.

Docket No. 18-3919-21

**STIPULATION  
AND FINAL ORDER**

**STIPULATION**

COME NOW the Idaho Department of Insurance (hereinafter "Department") and WELLFLEET INSURANCE COMPANY (hereinafter "Wellfleet"), by and through its undersigned officer, and agree and stipulate as follows:

1. Wellfleet is an Indiana-domiciled insurer.

2. Wellfleet holds Idaho Certificate of Authority No. 2840, originally issued on January 1, 1996, and is authorized to transact casualty insurance in the state of Idaho including workers compensation insurance.

3. On July 21, 2021, the Department filed a complaint against Wellfleet alleging therein that it is a member of the National Council of Compensation Insurance, Inc. (hereinafter "NICCI") which is a rating organization within the meaning of chapter 16, title 41, Idaho Code.

4. The Department alleged that on November 26, 2019, in accordance with section 41-1614, Idaho Code, the Director entered an *Order Permitting Deviation from 2020 Workers' Compensation Rates*, and that the Order stated that the rate deviation "will take effect on January 1, 2020 and shall remain in effect for one year from the date unless terminated sooner with the approval of the Director."

5. The Department alleged that Wellfleet not only applied the rate deviation during calendar year 2020 but continued to apply the expired rate deviation from January 1, 2021, through April 30, 2021, without receiving authorization from the Director of the Idaho Department of Insurance (hereinafter "Director"), in violation of Idaho Code § 41-1614.

6. On or about April 15, 2021, Wellfleet submitted to the Department a request for permission to deviate from the workers' compensation rates filed by the NCCI for year 2021 by a uniform decrease of fifteen percent (15%), effective May 1, 2021. The Director entered an order permitting the requested deviation on April 28, 2021, with a May 1, 2021, effective date.

7. Wellfleet admits that it neglected to timely file a request for permission to deviate from the workers' compensation rates filed by the NCCI for year 2021 to have such deviation effective January 1, 2021.

8. Wellfleet admits that it continued to apply the expired rate deviation from January 1, 2021, through April 30, 2021, without receiving the Director's authorization, in violation of Idaho Code § 41-1614.

9. In accordance with Idaho Code § 41-1432, the Director is authorized to impose penalties in accordance with Idaho Code § 41-114, which provides that each violation of title 41, Idaho Code, for which a greater penalty is not provided by a separate provision of title 41, Idaho Code, shall be an administrative penalty of not more than \$5,000 for each violation for any person other than an individual or natural person.

10. Based on the foregoing, the parties agree that this matter may be resolved by imposition of an administrative penalty of \$5,000 against Wellfleet.

11. The parties have agreed to the form of the Final Order as provided and agree to its entry herein by the Director.

12. Wellfleet acknowledges that it has had the opportunity to seek the advice of counsel with regard to this Stipulation and Final Order.

13. Wellfleet further acknowledges that it enters into this Stipulation and agrees to the entry of the Final Order knowingly and voluntarily and hereby waives its various rights in connection therewith, including but not limited to its rights to notice and hearing, and its rights to seek reconsideration and judicial review following entry of the Final Order.

14. The parties acknowledge that this Stipulation is subject to approval by the Director or the Director's designee and that, upon such approval by entry of the Final Order, binds all the parties to this Stipulation. Should the Director decline to approve this Stipulation, the Department and Wellfleet shall retain all of their rights, claims, and defenses, and any factual or legal admissions made by Wellfleet herein shall be withdrawn.

IT IS SO STIPULATED.

DATED this 19 day of August, 2021.

WELLFLEET INSURANCE COMPANY,  
an Indiana-domiciled insurer, holding  
Idaho Certificate of Authority No. 2840

by B. Byrnes

Name: Bruce Byrnes

Its: V.P.

State of CT )  
County of Fairfield )  
ss.

I, Melissa G. Hough, a notary public, do hereby certify that on this 19<sup>th</sup> day of August, 2021, personally appeared before me, Bruce Byrnes, who being by me first duly sworn, declared that s/he is the VP of WELLFLEET INSURANCE COMPANY, that s/he signed the foregoing instrument as VP, of the corporation, and that the statements therein contained are true.



Melissa G. Hough  
Notary Public for the state of CT  
My Commission Expires: 3/31/25

MELISSA G. HOUGH  
NOTARY PUBLIC  
CONNECTICUT  
MY COMMISSION EXPIRES MARCH 31, 2025

DATED this 23<sup>rd</sup> day of August, 2021.

IDAHO DEPARTMENT OF INSURANCE

By Shannon Hoehl  
SHANNON HOHL  
Bureau Chief  
Market Oversight Bureau

**FINAL ORDER**

In consideration of the Stipulation entered into by the parties hereto, upon review thereof and in consideration of the premises;

IT IS HEREBY ORDERED, pursuant to chapters 2 and 3, title 41, Idaho Code, that the foregoing Stipulation is hereby accepted and adopted by the Director, and the same is incorporated as if fully set forth herein;

IT IS FURTHER ORDERED that within thirty (30) days of the date of entry of this Final Order, WELLFLEET INSURANCE COMPANY shall pay to the Idaho Department of Insurance a total administrative penalty in the amount of \$5,000.00; said sum shall be made payable and delivered to the Idaho Department of Insurance, PO Box 83720-0043, Boise, Idaho, 83720-0043.

IT IS SO ORDERED.

DATED and EFFECTIVE this 23<sup>rd</sup> day of August, 2021.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
DEAN L. CAMERON  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 23<sup>rd</sup> day of August, 2021, I caused a true and correct copy of the foregoing fully-executed STIPULATION AND ORDER to be served upon the following by the designated means:

Wellfleet Insurance Company  
Attn: Kimberly Nielsen  
5814 Reed Road  
Fort Wayne, IN 46835-3568  
wellfleetregulatory@medpro.com

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

John C. Keenan  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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

  
Pamela Murray