

JAN 11 2010

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of:)
)
MILBANK INSURANCE COMPANY)
(NAIC # 41653))
)
Respondent.)
_____)

No. 10A-004-INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Milbank Insurance Company** ("Respondent") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent holds, and at all material times held, a certificate of authority to transact insurance as a property and casualty insurer in Arizona.

2. From December 30, 2008 through June 2, 2009, Respondent non-renewed twenty-one (21) personal automobile insurance policies issued to Arizona policyholders for the stated reason "Agency No Longer Represents Company."

4. All twenty-one (21) policies had been in effect for more than sixty (60) days at the time the notice of non-renewal was mailed.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. After a policy issued in this state has been in effect for sixty days, or if the policy is a renewal, effective immediately, the company shall not exercise its right to cancel

1 or fail to renew the insurance afforded under the policy unless one of the conditions at
2 A.R.S. § 20-1631 is met.

3 3. Termination of the representation agreement between the insurance company
4 and insurance producer is not a permissible reason for non-renewal within the meaning of
5 A.R.S. § 20-1631.

6 4. Respondent's conduct constitutes the non-renewal of motor vehicle insurance
7 policies for an impermissible reason in violation of ARS §20-1631.

8 5. Respondent's conduct constitutes the violation of any provision of this title,
9 within the meaning of ARS §20-220(A)(1).

10 6. Grounds exist for the Director to suspend, revoke or refuse to renew
11 Respondent's certificate of authority pursuant to ARS §20-220(A).

12 7. Grounds exist for the Director to impose, in lieu of or in addition to suspension
13 or revocation, a penalty not to exceed one thousand dollars (\$1,000.00) for each violation
14 and not to exceed an aggregate of ten thousand dollars (\$10,000.00) within any six-month
15 period with respect to unintentional violations, or a penalty not to exceed five thousand
16 dollars (\$5,000.00) for each violation and not to exceed an aggregate of fifty thousand
17 dollars (\$50,000.00) within any six-month period with respect to intentional violations
18 pursuant to A.R.S. § 20-220(B).

19 **ORDER**

20 **IT IS ORDERED THAT:**

21 1. Respondent shall cease and desist from non-renewing private passenger auto
22 policies for reasons not permitted by ARS § 20-1631.
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