



# State of Connecticut

## Insurance Department

THOMAS R. SULLIVAN  
COMMISSIONER

### OFFICIAL NEWS RELEASE

FOR IMMEDIATE RELEASE  
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## INSURANCE DEPARTMENT ORDERS NEARLY \$1M IN FINES AND RESTITUTION

*Liberty Mutual Companies fined for violations to state law*

Hartford — Connecticut Insurance Commissioner Thomas R. Sullivan announced today the completion of a market conduct examination of the Massachusetts-based Liberty Mutual Insurance Companies. At the conclusion of the exam, the Liberty Mutual Companies were ordered to pay \$296,000 in fines plus \$632,042 in restitution to approximately 3,600 policyholders.

“It is imperative that consumers are treated fairly,” said Commissioner Sullivan, “I am pleased that my staff was able to identify these violations, work with the company to provide restitution, and make a difference for policy holders”.

The market conduct exam revealed various violations to Connecticut state law primarily related to incorrect automobile and commercial rating; licensing/appointments of agents, licensing of adjusters/appraisers, and instances of improper claim settlements. Fines for all violations totaled \$296,000.

In addition to the fines, Commissioner Sullivan ordered the Liberty Mutual Companies to pay \$632,042 in restitution. The majority of the restitution, \$628,875, was returned to 3,595 policyholders who were overcharged for premiums on their auto insurance policies. The remaining restitution went to 7 policyholders who were incorrectly charged a surcharge on their private passenger automobile policies.

Violations and fines varied by company.

<u>Company</u>	<u>Fine</u>	<u>Restitution</u>
Liberty Mutual Fire Insurance Company, Wisconsin	\$158,500	\$573,397
Liberty Mutual Insurance Company, Massachusetts	\$ 10,000	N/A
Liberty Insurance Company, Illinois	\$118,500	\$ 22,332
First Liberty Insurance Company, Iowa	\$ 9,000	\$ 36,313

The company responded quickly to the order, agreeing to undertake a complete review of its practices and procedures to ensure the areas of concern comply with Connecticut law.

## **ABOUT THE CONNECTICUT INSURANCE DEPARTMENT**

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at [www.ct.gov/cid](http://www.ct.gov/cid).

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