

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
Clear Blue Insurance Company) ORDER

To: Clear Blue Insurance Company
225 West Washington Street, Suite 2550
Chicago, IL 60602-3048

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Clear Blue Insurance Company ("Clear Blue"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Clear Blue is a foreign insurance company admitted to transact the business of insurance since August 10, 2001 pursuant to N.J.S.A. 17B:23-1 to -11; and

WHEREAS, pursuant to N.J.A.C. 11:1-22.2(a)2, block nonrenewing entire lines or classes of insurance is prohibited, except pursuant to a plan which: complies with N.J.A.C. 11:1-22.2(b); is submitted to the Commissioner at least 30 days prior to the issuance of any notice of nonrenewal; and is not disapproved within 30 days after its filing with the Commissioner. Nonrenewal pursuant to a change in an insurer's underwriting guidelines shall be subject to this subchapter; and

WHEREAS, pursuant to N.J.A.C. 11:1-22.1(d), the terms "block" and "class" shall mean any group of insureds, however defined or designated, to which a common plan or program of cancellation or nonrenewal applies. A class may include one or more blocks; and

WHEREAS, pursuant to N.J.A.C. 11:1-20.4(g), only those guidelines which are in effect at the inception date of the original policy or any subsequent renewal of that policy, as applicable, may be utilized by the insurer to cancel or non-renew during that policy period; and

IT APPEARING, that Clear Blue added additional underwriting guidelines for homeowner's insurance effective April 1, 2019 for new business and effective May 16, 2019 for renewal business; and

IT FURTHER APPEARING, that Clear Blue completed 4,417 non-renewals from May 16, 2019 to July 22, 2021 based on the additional underwriting guidelines but did not file a plan of block nonrenewal with the Department; and

WHEREAS, Clear Blue desires to settle this matter with the New Jersey Department of Banking and Insurance without resort to a formal hearing and consents to the payment of a fine;

NOW, THEREFORE, IT IS on this ⁸ day Of December , 2021

ORDERED AND AGREED, that Clear Blue will pay a penalty of three hundred thirty-one thousand two hundred seventy-five dollars (\$331,275.00), upon its execution of this Consent Order. The payment shall be made through a certified check, attorney trust account check, money order or electronic funds transfer made payable to the "State of New Jersey -- General Treasury;" and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$331 ,275.00 shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement Unit
P. O. Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein.

Marlene Caride

Marlene Caride
Commissioner

Consented to as to Form, Content and Entry:

DK

Daniel Kennedy, Chief Legal Officer Clear
Blue Insurance Company

12-3-21

Date