

**STATE of NEW HAMPSHIRE  
INSURANCE DEPARTMENT**

**In RE: Encompass Indemnity Company**

**Docket No.: INS No. 09-007-EP**

**Consent Order and Agreement**

**WHEREAS**, the New Hampshire Insurance Department (“Department”) conducted an investigation pursuant to the authority granted under RSA 400-A:16 of Encompass Indemnity Company (“Encompass”) in the reporting of insurance fraud or insurance related criminal activity; and

**WHEREAS**, regarding an Encompass SIU investigation of claim number Z3030277, Encompass had reason to believe that claimant’s injuries were not the product of an accident or the insured’s negligence, but an intentional scheme to obtain insurance benefits; and

**WHEREAS**, Encompass was aware of the claimant’s scheme in November 2007, but did not notify the Department until March 2008 after the claimant arrested and charged; and

**WHEREAS**, RSA 417:28 requires that “Any person or entity regulated under title XXXVII which has reason to believe that an insurance fraud or insurance-related criminal activity has been committed shall make a report to the unit within 60 days...”; and

**WHEREAS**, in violating the above statute, Encompass is subject to license revocation, suspension or administrative fine;

**NOW THEREFORE**, for the purpose of settling this matter in lieu of a hearing, Encompass agrees to the following:

1. Encompass waives its right to notice and hearing in this matter.
2. Encompass shall pay an administrative fine of One Thousand Dollars (\$1,000) to the Department. This fine shall be paid by check or money order made payable to the Treasurer, State of New Hampshire. The administrative fine shall be payable upon execution of this Consent Order and Agreement (“Consent Order”) by Encompass.
3. Within 60 days of the execution of this Consent Order, Encompass shall furnish the Department a corrective action plan, which sets forth the steps Encompass has implemented, or will implement, to comply with RSA 417:28.

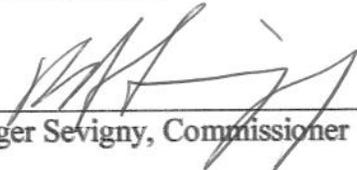
4. The insurance regulatory issues relating to the aforementioned violation are fully resolved. However, nothing herein shall prohibit the use of this Consent Order in any future enforcement actions brought by the Department based upon subsequent matters relative to Respondent's compliance with applicable insurance law and/or regulation.

5. This Consent Order shall be fully enforceable in any Superior Court in the state of New Hampshire.

**IT IS SO ORDERED.**

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

Dated: 14 April 2009

  
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Roger Sevigny, Commissioner

ENCOMPASS INDEMNITY COMPANY

Dated: April 1, 2009

  
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Mark Thompson, Vice President