

# PRESS RELEASE

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## For Immediate Release

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## Insurance Commissioner Announces Consent Order Naming National General Insurance Company, doing business as GMAC Insurance - Includes \$50,000 Fine

November 9, 2007, CONCORD, NH New Hampshire Insurance Commissioner Roger A. Sevigny announced today that he has issued a Consent Order naming National General Insurance Company, doing business as GMAC Insurance. The Consent Order resolves allegations that GMAC Insurance violated New Hampshire's Unfair Insurance Trade Practices Act and Insurance Department regulations.

The Consent Order was negotiated following an Insurance Department investigation that revealed that over 22,000 letters were mailed to New Hampshire consumers as part of the company's "Mover Mailers" advertising campaign between July 8, 2006 and September 18, 2006.

The NH Insurance Department found that the direct mail advertising contained multiple representations that were alleged to be untrue, incomplete, misleading and deceptive under New Hampshire's Unfair Insurance Trade Practices Act. As part of the Order GMAC Insurance has agreed to pay a fine of \$50,000 and to provide a letter to all New Hampshire consumers who responded to the advertising or filed a complaint advising them of the Department's action and the consent order. In addition, GMAC Insurance has, among other things, agreed to implement additional safeguards for review of all advertising to ensure that advertisements and mailings are clear and accurate and comply with state insurance law. The Consent Order further provides for a follow up investigation by the NH Insurance Department to determine ongoing compliance with the Consent Order.

"We are very pleased that GMAC Insurance took these affirmative steps to correct this practice," said Commissioner Sevigny. "Consumers cannot make informed decisions about their insurance purchases without truthful and clear information. This Consent

Order will ensure that New Hampshire's insurance consumers will get the information they need to make informed insurance decisions."

Among other things, the advertisements GMAC Insurance sent to New Hampshire residents stated "State law requires you to obtain auto insurance from a company licensed to do business in your state." New Hampshire Insurance Department market conduct investigators asserted that this statement was deceptive because it did not make it clear to the recipient that auto insurance is not required by law in New Hampshire in order to register or operate a vehicle. The mailing targeted those who had recently moved their residence, and stated that the recipient would receive a lower auto premium rate in their new neighborhood "Because fewer accidents happen there". Insurance Department market conduct investigators found that the Company could not adequately substantiate these claims.

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#### **ABOUT THE NH INSURANCE DEPARTMENT**

**The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire's insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information and referral services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire's insurance premium tax. For more information, visit the Insurance Department's web site at: [www.nh.gov/insurance](http://www.nh.gov/insurance).**