

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking	)	CONSENT ORDER
and Insurance, State of New Jersey, to fine Wesco	)	
Insurance Company, ARI Insurance Company,	)	
AmTrust Insurance Company of Kansas, Inc. and	)	
Technology Insurance Company, Inc.	)	

TO: Wesco Insurance Company  
59 Maiden Lane, 43<sup>rd</sup> floor  
New York, NY 10038

ARI Insurance Company  
125 Pheasant Run  
Newtown, PA 18940-1820

AmTrust Insurance Company of Kansas, Inc.  
12790 Merit Drive  
Dallas, TX 75251

Technology Insurance Company, Inc.  
59 Maiden Lane, 43<sup>rd</sup> floor  
New York, NY 10038

This matter having been opened to the Commissioner (“Commissioner”) of the Department of Banking and Insurance (“Department”) of the State of New Jersey, upon information that Wesco Insurance Company (“Wesco”), ARI Insurance Company (“ARI”), AmTrust Insurance Company of Kansas, Inc. (“AmTrust”), and Technology Insurance Company, Inc. (“Technology”) (collectively “the Companies”) may have violated the laws of the State of New Jersey; and

**WHEREAS, Wesco is a foreign insurance company admitted to transact business in New Jersey pursuant to N.J.S.A. 17:32-2 since February 2, 1995; and**

**WHEREAS, ARI is a foreign insurance company admitted to transact business in New Jersey pursuant to N.J.S.A. 17:32-2 since December 4, 1879; and**

**WHEREAS, AmTrust is a foreign insurance company admitted to transact business in New Jersey pursuant to N.J.S.A. 17:32-2 since June 10, 2013; and**

**WHEREAS, Technology is a foreign insurance company admitted to transact business in New Jersey pursuant to N.J.S.A. 17:32-2 since December 13, 2010; and**

**WHEREAS, N.J.A.C. 11:1-22.2(a)2 prohibits an insurance company from block nonrenewing entire lines or classes of insurance, except pursuant to a plan which contains the information required by N.J.A.C. 11:1-22.2(b), submitted to the Commissioner at least 30 days prior to the issuance of any notice of nonrenewal, which is not disapproved within 30 days after its filing with the Commissioner; and**

**WHEREAS, N.J.A.C. 11:1-22.1(d) provides that “block” and “class” means any group of insureds, however defined or designated, to which a common plan or program of cancellation or nonrenewal applies and states that a class may include one or more blocks; and**

**WHEREAS, on July 26, 2019 the Companies filed a plan of block nonrenewal of monoline commercial automobile insurance and of the Auto Service Plan product, which provides multiperil insurance coverage to automobile dealerships and independent service and repair facilities; and**

**WHEREAS, the block nonrenewal plan indicated that the companies issued nonrenewal notices prior to submitting the plan; and**

WHEREAS, on August 23, 2019 Wesco filed a plan of block nonrenewal for the Artisan Contractors Liability program, which provides contractor's general liability coverage; and

WHEREAS, the block nonrenewal plan indicated that Wesco issued nonrenewal notices prior to submitting the plan; and

WHEREAS, on August 30, 2019 Wesco filed a plan of block nonrenewal for the Lumber program, which provides general liability, commercial automobile and property insurance coverage to certain businesses including sawmills and lumber manufacturers; and

WHEREAS, the block nonrenewal plan indicated that Wesco issued nonrenewal notices prior to submitting the plan; and

WHEREAS, the issuance of nonrenewal notices prior to the filing of a block nonrenewal plan and the Commissioner's non-disapproval of the plan as described above violates N.J.A.C. 11:1-22.2(b); and

WHEREAS, the Companies admit and agree to take responsibility for the aforesaid violations, have issued rescissions of the nonrenewal notices on the monoline commercial automobile insurance and of the Auto Service Plan product as previously advised by the Department, and commit to take steps to avoid recurrence; and

WHEREAS, good cause exists under N.J.S.A. 17:33-2 to impose a fine; and

WHEREAS, the Companies have waived their right to a hearing on the aforementioned violations and has consented to payment of a fine in the amount of two hundred seventy six thousand two hundred twelve dollars and fifty cents (\$276,212.50); and

NOW THEREFORE, IT IS on this *23<sup>rd</sup>* day of *September* 2019

ORDERED AND AGREED that the Companies pay a fine in the amount of two hundred seventy six thousand two hundred twelve dollars and fifty cents (\$276,212.50) by wire transfer

or check made payable to the State of New Jersey, General Treasury due and payable immediately upon the execution of this Consent Order by the Companies; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine payment shall be transmitted to:

New Jersey Department of Banking and Insurance  
Attention: Gale Simon, Assistant Commissioner  
20 West State Street, 9<sup>th</sup> floor, Consumer Protection Services  
P. O. Box 329  
Trenton, NJ 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.



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Marlene Caride  
Commissioner

Consented to as to  
Form and Content:

Wesco Insurance Company  
ARI Insurance Company  
Amtrust Insurance Company of Kansas, Inc.  
Technology Insurance Company, Inc.

By: Barry W. Moses, Vice President, Senior Regulatory Counsel, and Assistant Secretary  
Name and Title



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Signature

September 11, 2019

Date