

File Nos. 71176, 71599, 76212
E-Case No. 2986

**STATE OF MINNESOTA
DEPARTMENT OF COMMERCE**

In the Matter of the Certificates of Authority of
Liberty Mutual Insurance Company, NAIC No. 23043,
Liberty Mutual Personal Insurance Company, NAIC No. 12484,
Liberty Mutual General Insurance Company, NAIC No. 36447,
LM Insurance Corporation, NAIC No. 33600, and
Safeco Insurance Company of Indiana, NAIC No. 11215

CONSENT ORDER

TO: Liberty Mutual Insurance Company 175 Berkeley Street Boston, MA 02116	Liberty Mutual Personal Insurance Company 175 Berkeley Street Boston, MA 02116
Liberty Mutual General Insurance Company 175 Berkeley Street Boston, MA 02116	LM Insurance Corporation 175 Berkeley Street Boston, MA 02116
Safeco Insurance Company of Indiana 175 Berkeley Street Boston, MA 02116	

Commissioner of Commerce Grace Arnold (Commissioner) has determined as follows:

1. The Commissioner has advised Liberty Mutual Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Mutual General Insurance Company, LM Insurance Corporation, and Safeco Insurance Company of Indiana (collectively, Respondents) that she is prepared to commence formal action, pursuant to Minn. Stat. § 45.027 (2022) and other applicable law, against Respondents' certificates of authority to engage in the business of insurance in Minnesota based on allegations that Respondents:

- A. Failed to offer the minimum antitheft protection device discount, in violation of Minn. Stat. § 65B.285, subd. 2 (2022);
- B. Used an applicant's status as a residential tenant in their offering or establishing of multi-policy discounts, in violation of Minn. Stat. § 72A.20, subd. 23(b) (2022); and

C. Applied an automated rate increase, in violation of Minn. Stat. § 70A.06, subd. 1 (2022).

2. Respondents identified 86,506 impacted policyholders and have or are in the process of issuing refunds, credits, or premium reductions to these policyholders. The total amount of these refunds, credits, and premium reductions is approximately \$7.7 million.

3. Respondents acknowledge that they have been advised of their rights to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Respondents hereby expressly waive those rights. Respondents further acknowledge that they have been represented by legal counsel throughout these proceedings.

4. Respondents have agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2022) and Minn. R. 1400.5900 (2021).

5. For purposes of Minn. Stat. § 16D.17 (2022), Respondents expressly waive their right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2022) allows the Commissioner to file and enforce the civil penalty imposed by this Order as a judgment against Respondents in district court without further notice or additional proceedings.

6. The civil penalty and/or any resulting judgment arising from this Order will be non-dischargeable in any bankruptcy proceeding. *See* 11 U.S.C. 523 (a)(7) (“A discharge under section 727, 1141, 1228(a), 1228(b) or 1328(b) of this title does not discharge an individual debtor from any debt... to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty...”).

7. The parties agree that there has been no hearing, findings of fact, or conclusions of law with respect to the listed allegations and this Order represents a settlement of the parties’ disputes.

8. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. Ch. 45 (2022), that:

A. Respondents shall jointly and severally pay a civil penalty in the amount of \$150,000 to the State of Minnesota. The \$150,000 civil penalty is stayed on condition that Respondents fully comply with the terms of this Order. If after a hearing, the Commissioner determines that Respondents have failed to fully comply with the terms of this Order, the stay will be lifted resulting in the stayed civil penalty becoming effective. If the Commissioner seeks to lift the stay, Respondents may request a hearing to challenge the factual basis for lifting the stay but may not challenge the amount of the stayed penalty. If the stay has not been lifted within three (3) years of the effective date of this Order, the stayed portion of the civil penalty will be vacated.

B. Respondents shall, within three hundred sixty (360) days of the effective date of this Order, refund, credit, or reduce the premium of all impacted policyholders in accordance with the remediation plan approved by the Commissioner.

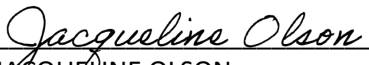
C. Respondents shall, within four hundred fifty (450) days of the effective date of this Order, produce a report summarizing the refunds, credits, and premium reductions resulting from the remediation plan required by this Order.

D. The completion date for any action required by the remediation plan required by this Order can be extended by mutual agreement of the parties.

This Order shall be effective upon signature by or on behalf of the Commissioner.

Date: 10/17/2023

GRACE ARNOLD
Commissioner



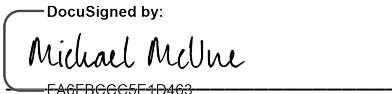
JACQUELINE OLSON
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned individuals, acting on behalf of Liberty Mutual Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Mutual General Insurance Company, LM Insurance Corporation, and Safeco Insurance Company of Indiana (collectively, "Respondents") states that they have read this Consent Order; that they know and fully understand its contents and effect; that they are authorized to execute this Consent Order on behalf of Respondents; that Respondents have been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing and expressly waive those rights. The undersigned individuals further acknowledge that Respondents have been represented by legal counsel throughout these proceedings or have been advised of their right to be represented by legal counsel, which right they hereby expressly waive; and that they consent to entry of this Order by the Commissioner. It is further understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Liberty Mutual Insurance Company

Date: October 16, 2023

By: 
FA6FBCC5E1D463...
(Signature)

Its: Director II, State Operations
(Title)

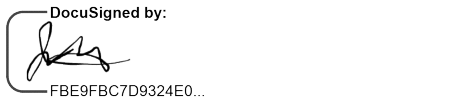
STATE OF Washington

COUNTY OF King

Signed or attested before me on October 16, 2023 (Date).

(Notary stamp)

JENNIFER WHEAT
Notary Public
State of Washington
Commission # 171479
Commission Expires 4/11/2026


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(Signature of Notary)

My Commission expires: 04/11/2026

10/16/2023 | 12:07 EDT

Liberty Mutual Personal Insurance Company

Date: October 16, 2023

By: DocuSigned by:
Michael McVine
FA0FBCCC5E1D463...
(Signature)

Its: Director II, State Operations
(Title)

STATE OF Washington

COUNTY OF King

Signed or attested before me on October 16, 2023 (Date).

(Notary stamp)

JENNIFER WHEAT
Notary Public
State of Washington
Commission # 171479
Commission Expires 4/11/2026

DocuSigned by:
[Signature]
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(Signature of Notary)

My Commission expires: 04/11/2026

10/16/2023 | 12:07 EDT

Liberty Mutual General Insurance Company

Date: October 16, 2023

By: DocuSigned by:
Michael McVine
FA0FBCCC5E1D463...
(Signature)

Its: Director II, State Operations
(Title)

STATE OF Washington

COUNTY OF King

Signed or attested before me on October 16, 2023 (Date).

(Notary stamp)

JENNIFER WHEAT
Notary Public
State of Washington
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Date: October 16, 2023

STATE OF Washington

COUNTY OF King

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(Notary stamp)

JENNIFER WHEAT
Notary Public
State of Washington
Commission # 171479
Commission Expires 4/11/2026

10/16/2023 | 12:07 EDT

LM Insurance Corporation

DocuSigned by:
Michael McVine
FA0FBCC5E1D403...
(Signature)

Its: Director II, State Operations
(Title)

DocuSigned by:
Jennifer Wheat
FBE9FBC7D9324E0...
(Signature of Notary)

My Commission expires: 04/11/2026

Safeco Insurance Company of Indiana

Date: October 16, 2023

STATE OF Washington

COUNTY OF King

Signed or attested before me on October 16, 2023 (Date).

(Notary stamp)

JENNIFER WHEAT
Notary Public
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Its: Director II, State Operations
(Title)

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Jennifer Wheat
FBE9FBC7D9324E0...
(Signature of Notary)

My Commission expires: 04/11/2026

FOR WITNESSING OR ATTESTING A SIGNATURE

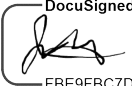
STATE OF WASHINGTON
COUNTY OF King

Signed or attested before me on 10/16/2023 | 12:07 EDT by
Michael McUne

Dated: 10/16/2023 | 12:07 EDT

JENNIFER WHEAT
Notary Public
State of Washington
Commission # 171479
Commission Expires 4/11/2026

(Seal or Stamp)

DocuSigned by:

FBE9FBC7D9324E0...

(Signature)

Asst Dir, Compliance Analysis
Title

My appointment expires 04/11/2026

Notarial act included the use of communication technology