

STATE OF OHIO  
DEPARTMENT OF INSURANCE  
50 W. Town St.  
Columbus, Ohio 43215

IN THE MATTER OF: : MARY JO HUDSON  
: SUPERINTENDENT OF  
NATIONAL UNION FIRE INSURANCE : INSURANCE  
COMPANY OF PITTSBURGH, PA. :  
NAIC # 19445 : INTERIM CONSENT ORDER

The Superintendent of the Ohio Department of Insurance ("Department") is responsible for administering Ohio insurance laws pursuant to Section 3901.011 of the Ohio Revised Code ("R.C."). National Union Fire Insurance Company of Pittsburgh, Pa. ("Company") is authorized to engage in the business of insurance in the State of Ohio and, as such, is under the jurisdiction of the Superintendent and the Department. The Department recently commenced an examination of the Company's Accident and Health Division for the period of January 1, 2008 through June 30, 2010. The examination is still ongoing, but interim findings warrant action at this time. The Superintendent makes the following findings:

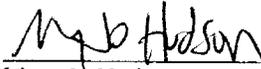
1. The Company is a member company of Chartis U.S., Inc. The Accident and Health Division is a Division of Chartis U.S., Inc. and within the Accident and Health Division is a Direct Marketing Business Unit ("Direct Marketing Business Unit").
2. This Interim Consent Order is based on the Department's examination of products sold through the Direct Marketing Business Unit to customers of certain banking institutions.
3. The Department alleges that in certain instances, coverage under policies that were filed, approved, issued and used as blanket accident/sickness policies were marketed to individuals. The Department alleges that this practice constituted a violation of its laws concerning filing and approval of policies.
4. The Department and the Company enter into this Consent Order as an interim step to define certain actions that shall be taken while the examination proceeds.

NOW, THEREFORE, IT IS ORDERED that:

- A. The Direct Marketing Business Unit shall immediately cease marketing coverage under policies that were filed and approved as blanket accident/sickness policies to individuals as described in Paragraph #2 of this Order.
- B. By July 8, 2011, the Direct Marketing Business Unit shall complete an audit of its products marketed to banking institutions and shall submit to the Department a report of the audit results. The Direct Marketing Business Unit will also submit a plan to ensure that insurance products sold to consumers of banking institutions will only be marketed in accordance with the form filing requirements and laws of each jurisdiction. The plan shall also include a proposal to correct any existing form filings, as necessary.

- C. The Direct Marketing Business Unit shall implement all measures enumerated in this Consent Order in all United States jurisdictions in which it does business.
- D. By entering into this stipulation, the Company does not admit or acknowledge any of the Superintendent's findings or allegations as accurate or true. Neither this Consent Order, nor any related negotiations or statements shall be offered by the Department as evidence of or an admission or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including, but not limited to the Company or its affiliates, or as a waiver by the Company or its affiliates of any applicable defense, including without limitation any applicable statute of limitations or statute of frauds.
- E. This Consent Order shall be considered a public document to the extent required by the applicable laws in Ohio.

Dated this 7th day of January, 2011.



Mary Jo Hudson  
Superintendent of Insurance

Copies to:

Iowa Insurance Commissioner Susan Voss  
Minnesota Insurance Commissioner Glenn Wilson  
New Jersey Commissioner Thomas Considine  
Acting Pennsylvania Insurance Commissioner Robert Pratter  
Gary Hernandez, Counsel for National Union Fire Insurance Company of Pittsburgh, Pa.

Acknowledgement and Agreement:

1. The Company has been advised that it has the right to a hearing before the Superintendent pursuant to R.C. Chapter 119; that, at a hearing, the Company would be entitled to appear in person, to be represented by an attorney, or other representative who is permitted to practice before the Superintendent; and that, at a hearing, the Company would be entitled to present its position, arguments or contentions in writing and to present evidence and examine witnesses appearing for and against the Company. The Company hereby waives all such rights.
2. The Company consents to the jurisdiction of the Superintendent and the Department to determine the issues set forth herein. The Company expressly waives any prerequisites to jurisdiction that may exist.
3. The Company waives any and all causes of action, claims or rights, known or unknown, that the Company may have against the Department, and any employees, agents, consultants, contractors or officials of the Department, in their individual and official capacities, as a result of any acts or omissions on the part of such persons or firms arising out of this matter.
4. The Company has read and understands this Consent Order. The Company further understands that it has the right to seek legal counsel of its choice and to have legal counsel review this Consent Order.

Date:

1/7/11

Name:

  
Adam C. Reed

Title:

Assistant Vice President

National Union Fire Insurance  
Company of Pittsburgh, Pa.