

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)	
and Insurance, State of New Jersey, to fine)	CONSENT
United States Fire Insurance Company)	ORDER

To: United States Fire Insurance Company
305 Madison Avenue
Morristown, NJ 07962

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that United States Fire Insurance Company (“US Fire”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, US Fire is an insurance company licensed in the State of New Jersey to transact the business of insurance since November 11, 1916 pursuant to N.J.S.A. 17B:23-1 to -11; and

WHEREAS, N.J.S.A. 17B:27A-2 defines an “individual health benefits plan” to include:

a certificate issued to an eligible person which evidences coverage under a policy or contract issued to a trust or association, regardless of the situs of delivery of the policy or contract, if the eligible person pays the premium and is not being covered under the policy or contract pursuant to continuation or benefits provisions applicable under federal or State Law

and

WHEREAS, N.J.S.A. 17B:27A-2 defines “health benefits plan” to exclude hospital confinement indemnity coverage if the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between the provision of the benefits and any exclusion of benefits under any group health benefits plan maintained by the same plan sponsor,

and those benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any group health plan maintained by the same plan sponsor; and

WHEREAS, N.J.A.C. 11:20-1.2 defines “hospital confinement indemnity coverage” as coverage that is provided on a stand-alone basis, contains no elimination period greater than three days, provides coverage for no less than 31 days during one period of confinement for each person covered under the policy, and provides no less than \$40.00 but not more than \$250.00 in daily benefits except that the benefit for the first day of hospital confinement may exceed \$250.00 as long as the following formula is satisfied:

$$\frac{1^{\text{st}} \text{ day benefit} - 2^{\text{nd}} \text{ day benefit}}{5} + 2^{\text{nd}} \text{ day benefit} < \$250.00;$$

and

WHEREAS, an individual health benefits plan is required to comply with various provisions of the Individual Health Coverage Act (“IHC Act”), N.J.S.A. 17B:27A-2 to -18.2, including but not limited to the requirement that the plan be one of the standard plans established by the Board of Directors of the Individual Health Coverage Program pursuant to N.J.S.A. 17B:27-7; and

WHEREAS, US Fire issued a group policy to an out of state association and said association issued filed and approved certificates to residents of New Jersey and. which provided coverage that satisfied the definition of hospital confinement indemnity coverage at N.J.A.C. 11:20-1.2.

IT APPEARING, these filed and approved certificates were marketed in such a way that brought the certificates within the scope of the IHC Act; and therefore did not comply with the requirements of individual health benefits plans; and

IT FURTHER APPEARING, US Fire issued these certificates to 1,936 New Jersey residents from 2020 to 2022; and

WHEREAS, US Fire voluntarily ceased the sale of these plans to New Jersey residents; and

IT FURTHER APPEARING, that US Fire:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance (“Department”); and
- 3) Has asserted that the violations cited in this Consent Order were not willful; and

WHEREAS, US Fire desires to settle this matter with the New Jersey Department of Banking and Insurance without resort to a formal hearing and consents to the payment of a fine;

NOW, THEREFORE, IT IS on this 30 day of March, 2026

ORDERED AND AGREED, that US Fire will pay a penalty of three hundred ninety-five thousand dollars (\$395,000.00), upon its execution of this Consent Order. The payment shall be made through a certified check, attorney trust account check, money order or electronic funds transfer made payable to the “State of New Jersey -- General Treasury;” and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$395,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Thomas Stanley, Enforcement Manager
9th Floor, Consumer Protection Services, Enforcement Unit
P. O. Box 329
Trenton, New Jersey 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.



Susan Ochs
Acting Commissioner

Consented to as to Form, Content and Entry:



By: _____

Name: Caren Alvarado

Title: VP Regulatory Affairs

3/26/26
Date