

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903**

_____)	
IN THE MATTER OF:)	
)	
OLD LYME INSURANCE COMPANY)	
OF RHODE ISLAND, INC.)	DBR No. 05-I-0068
)	
Respondent.)	
_____)	

DECISION

Hearing Officers: Elizabeth Kelleher Dwyer, Esq.
Sharon K. Gordon

Hearing Held: April 18, 2005

Appearances: John M. Parker, Esq. for Old Lyme Insurance Company of Rhode
Island, Inc.

I. INTRODUCTION

The above-entitled matter came before the Department of Business Regulation ("Department") as the result of a request from Old Lyme Insurance Company of Rhode Island, Inc. ("Old Lyme") to move its corporate records to a facility in New Hampshire. An order appointing the undersigned as Hearing Officers (Exhibit 1) was issued and a hearing was held in this matter on April 18, 2005.

II. JURISDICTION

The Department has jurisdiction over this matter pursuant R.I.G.L. § 27-1-1, R.I.G.L. § 42-14-1 *et seq.*, and R.I.G.L. § 42-35-1 *et seq.*

III. ISSUE

Is it inconsistent with the public interest of the people of the state of Rhode Island to allow Old Lyme to locate their corporate records in New Hampshire.

IV. MATERIAL FACTS AND TESTIMONY

On April 4, 1991 a Consent Agreement was entered into between the Department and Old Lyme specifying certain records which Old Lyme was required to and agreed to maintain in offices in Rhode Island. In July and August of 2004 this agreement was amended to allow records related to insurance not in force and closed claims to be maintained at a storage facility in Rhode Island and to allow maintenance of claim files through computer scanning. A true and correct copy of this agreement and amendment were admitted in these proceedings as Exhibit 2.

At year end 2003, Old Lyme was placed into runoff and is no longer issuing insurance policies in the state of Rhode Island. The runoff is being managed by Riverstone from their corporate offices in Manchester, New Hampshire. The operation consists of the payment of claims and commutations opportunities.

John M. Parker, Esq. appeared at the hearing and represented that (1) Old Lyme will continue to maintain an office in Rhode Island with one full time staff person; (2) the movement of these records will not affect policyholders or cedents and will not affect claim payments and (3) the request will have no effect on the company's financial condition or ability to meet its obligations. In response to questioning from Ms. Gordon, Mr. Parker represented that Old Lyme would not object to a condition that it be required to produce the records in Rhode Island on three business days notice.

V. FINDINGS OF FACT

1. Granting the request of Old Lyme will not effect the number of full time employees currently located within Rhode Island.
2. Old Lyme does not have any current or future policyholders as the company is in runoff, and, therefore, no current or future policyholders would be affected by the granting of this request.
3. The granting of the request will not harm the ability to file claims with or against Old Lyme.
4. The granting of the request will not adversely affect the financial condition of Old Lyme.
5. In order to allow for efficient regulation of Old Lyme, Old Lyme has agreed to produce all records in Rhode Island for the purposes of examination within three business days of the request.

VI. CONCLUSIONS OF LAW

Based on the testimony and facts presented we conclude as follows:

1. The Department has jurisdiction over this matter pursuant to R.I.G.L. § 27-1-1, R.I.G.L. § 42-14-1 *et seq.*, and R.I.G.L. § 42-35-1 *et seq.*
2. Old Lyme has shown all of the factors required pursuant to R.I.G.L. § 27-1-1(a) in connection with its request to locate records in New Hampshire.
3. Granting the request to allow Old Lyme to locate records in New Hampshire is not inconsistent with the public interest of the people of the state of Rhode Island.

VII. RECOMMENDATION

Based on the above analysis, the Hearing Officers recommend that

1. Old Lyme be allowed to maintain its records in Manchester New Hampshire.
2. As a condition for the granting of this request, Old Lyme must produce any records requested by the Department within three business days of the request at a facility within the state of Rhode Island.

Dated: April 19, 2005

_____ original signature on file _____
 Elizabeth Kelleher Dwyer
 Hearing Officer

Dated: April 19, 2005

_____ original signature on file _____
 Sharon K. Gordon
 Hearing Officer

I have read the Hearing Officers' Decision and Recommendation in this matter, and I hereby

ADOPT
 REJECT
 MODIFY

the Decision and Recommendation.

Dated: April 19, 2005

_____ original signature on file _____
 A. Michael Marques
 Director

NOTICE OF APPELLATE RIGHTS

THIS DECISION CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I.G.L. § 42-35-12. PURSUANT TO R.I.G.L. § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.