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DELAWARE INSURANCE DEPT

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF: :
 :
CALIFORNIA CASUALTY INDEMNITY : DOCKET NO. 1947-2012
EXCHANGE :

STIPULATION AND CONSENT ORDER

THIS AGREEMENT ("Agreement") is entered into by and between California Casualty Indemnity Exchange ("Respondent") and the Delaware Department of Insurance (the "Department").

WHEREAS, Respondent is a property and casualty insurance company authorized to conduct the business of insurance in the State of Delaware with NAIC number 20117;

WHEREAS, Respondent violated 18 Del. Code §2506 in regards to the filing process;

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:


1. Respondent waives its right to notice of an administrative hearing.
2. Respondent states that it fully understands all of the charges and facts relating to above-referenced asserted violations as well as all of the consequences of its agreement to enter into this Agreement.
3. Respondent admits all of the facts set forth in this Agreement relating to the above-referenced asserted violation.
4. Respondent agrees to a fine in the amount of Twenty Thousand Dollars (\$20,000) for the above-referenced asserted violation.
5. Respondent agrees to pay in full at the execution of this agreement Ten Thousand Dollars (\$10,000) by check payable to the "State of Delaware".
6. The remaining Ten Thousand Dollars (\$10,000) due and owing by Respondent will be waived by the Department if Respondent complies with the terms of this Stipulation and Consent Order.
7. Respondent agrees it will not engage in the conduct giving rise to the above-referenced asserted violations and agrees that engaging in any further such conduct shall be considered a breach of this Agreement and shall entitle the Department to the remedies provided for in 18 Del. C. §2308.
8. Respondent agrees that it will send letters to all affected policyholders, in a form approved by the Commissioner, providing an explanation of the facts giving rise to the above-referenced violation and will provide, or offer to provide, refunds to all policyholders overcharged no later than July 15, 2012 and will confirm its compliance to the Commissioner of Insurance no later than July 20, 2012;
9. Respondent agrees to submit for approval by the Commissioner new rates, which shall not exceed a maximum increase of fifteen percent (15%) for all renewal business.


Respondent agrees not to implement any such rates until after they have been acknowledged by the Commissioner of Insurance as acceptable under 18 Del. C. §2506(c);


10. This Agreement is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms.
11. This Agreement contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.
12. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.
13. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Agreement or by law.
14. This Agreement may be signed in duplicate, and both documents shall be considered originals. The person executing this agreement on behalf of Respondent shall acknowledge his or her signature before a Notary Public, and by executing this agreement certifies that he or she is duly authorized to execute this agreement on behalf of Respondent. Respondent agrees that an uncertified copy of this Agreement shall be valid as evidence in any proceeding for purposes of enforcement.
15. This Agreement shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

CALIFORNIA CASUALTY
INDEMNITY EXCHANGE

DELAWARE INSURANCE DEPARTMENT


Print Name: Joseph L. Volponi
Title: Executive Vice President
Date: 10/1/12


KAREN WELDIN STEWART, CIR-ML
Insurance Commissioner
Date: 10/5/12


Witness to Respondent's Signature
Name: Marilyn J. Rudoc
Title: Legal Secretary
Date: 10/1/12

