

BEFORE THE INSURANCE COMMISSIONER

FOR THE STATE OF DELAWARE

IN THE MATTER OF:)
)
TEACHERS INSURANCE COMPANY,)
1 Horace Mann Plaza) DOCKET NO. 2339-2014
Springfield, Illinois 62715)
NAIC #22683)

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of February 4th, 2016, 2015, by and between Teachers Insurance Company (“Respondent”) and the State of Delaware Department of Insurance (“Department”).

WHEREAS, Respondent is a property and casualty insurance company incorporated under Illinois law and authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department, through its examiners, conducted a routine market conduct examination (“Examination”) of Respondent’s affairs and practices; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

WHEREAS, after considering Respondent’s comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of December 31, 2012 (“Final Examination Report”); and

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FEB 09 2016

DELAWARE INSURANCE DEPT

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with (i) 18 *Del C.* §2712, in that it failed to properly file disclosures associated with rate changes and provided inaccurate information to policyholders, and (ii) 18 *Del. Admin. Code* § 609, in that failed to properly notify policyholders of imposed surcharges (hereinafter the "Notice Violations"); and

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

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

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.
2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Twenty-Five Thousand Dollars (\$25,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."
3. The Department reserves the right to issue a press release and to send a letter to the Respondent's policyholders concerning the terms of this Stipulation and Consent Order and such other related matters as the Department shall deem appropriate. Upon request by the Department, Respondent shall provide the Department with updated contact information for the policyholders. The Department agrees to provide to Respondent a copy of any such press release or policyholder letter in advance of release or mailing, so that Respondent may review them and

provide any comments to the Department; provided, the Department shall retain absolute discretion over the final language in any press release or letter covered by this paragraph.

4. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

5. This Stipulation and Consent Order 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. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

6. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.

7. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

8. 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 Stipulation and Consent Order or by law.


9. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified

copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

10. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

[Signature page follows]

TEACHERS INSURANCE COMPANY: DELAWARE INSURANCE DEPARTMENT


Print Name: William J. Caldwell
Title: Executive Vice President, P3C
Date: February 4, 2016


KAREN WELDIN STEWART, CIR-ML
Insurance Commissioner
Date:

Witness to Respondent's Signature

Name:
Title:
Date:

STATE OF Illinois)
) SS.
COUNTY OF Sangamon)

The foregoing instrument was acknowledged before me this 4th day of February 2015, by William Caldwell, who is personally known to me or who has produced employee ID as identification, and who certified that he or she is duly authorized to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.



Bobbie Hale
NOTARY PUBLIC

Bobbie Hale
PRINT NAME

5-13-2017
MY COMMISSION EXPIRES



Date	Number	Amount
01/26/2016 12:30:54	7700400550	\$25,000.00

7700400550

007

Reference Number

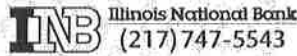
PENALTY 01/16

DETACH BEFORE DEPOSITING

This blue check contains multiple fraud deterrent security features, all features detailed on back of check.



1 Horace Mann Plaza Springfield, IL 62715-0001
1-800-999-1030



Illinois National Bank
(217) 747-5543

7700400550

DATE

01/26/2016 12:30:54

70-2620
711

Twenty five thousand and 00/100 Dollars

Amount
*****\$25,000.00

VOID 90 DAYS FROM DATE
Horace Mann Service Corporation

PAY TO THE ORDER OF:

DELAWARE DEPT OF INSURANCE
841 SILVER LAKE BLVD
DOVER, DE 19904-2465

Dwight Vallance
Second signature required if amount greater than \$5,000.00
Mark Gust

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