

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

IN THE MATTER OF:)
)
FOREMOST PROPERTY AND CASUALTY)
INSURANCE COMPANY)
)
FOREMOST INSURANCE COMPANY)
OF GRAND RAPIS, MICHIGAN)
) **DOCKET NO. 4182-2019**
NAIC #'S 11800 and 11185)
)
P.O> Box 2450)
Grand Rapids, MI 49501-2450)

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of _____ October 24, _____, 2019, by and between the Foremost Property and Casualty Insurance Company and the Foremost Insurance Company of Grand Rapids, Michigan (hereafter together “Respondent”) and the State of Delaware Department of Insurance (“the Department”). Respondent and the Department are collectively referred to herein as the “Parties.”

WHEREAS, Respondent are homeowner’s insurance companies incorporated in the State of Michigan and authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department, through its examiners, conducted a target market conduct examination (“Examination”) of Respondent’s affairs and practices as of December 31, 2018; and

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

WHEREAS, Respondent has reviewed and commented on such draft versions of the Examination report; 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, 2018 ("Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with;

18 *Del. Admin C.* 902 – Prohibited Unfair Claims Settlement Practices.

18 *Del. C.* § 2517 Adherence to Filings.

18 *Del. C.* § 4122 Notification and Reasons for Declination or Termination.

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 execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Eleven Thousand Dollars (\$ 11,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

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

4. This Stipulation and Consent Order is the free and voluntary act of Respondent, and its terms are binding upon Respondent and may be admitted into evidence in any judicial or administrative proceeding against 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.

5. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

6. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between 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 Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare 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 Respondent and be enforceable against its successors, transferors, or assigns.

[Signature Page Follows]

FOREMOST PROPERTY AND CASUALTY INSURANCE COMPANY

DELAWARE INSURANCE DEPARTMENT

FOREMOST INSURANCE COMPANY OF GRAND RAPIDS, MICHIGAN

[Signature]
Print Name: MICHAEL J. COX
Title: President
Date: 10/24/19

[Signature]
TRINIDAD NAVARRO
Insurance Commissioner
Date: 11-20-19

Witness to Respondent's Signature

Name:
Title:
Date:

STATE OF Michigan)
) SS.
COUNTY OF Kent)

The foregoing instrument was acknowledged before me this 24th day of October 2019, by Michael J. Cox, who is personally known to me or who has produced _____ 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.

[Signature]
NOTARY PUBLIC

Terri Lee McLaughlin
PRINT NAME

12/25/2025
MY COMMISSION EXPIRES

TERRI LEE MCLAUGHLIN
Notary Public, State of Michigan
County of Allegan
My Commission Expires 12-22-2025
Acting in the County of Allegan