

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

<b>IN THE MATTER OF:</b>	)	
	)	
<b>LIBERTY MUTUAL FIRE INSURANCE COMPANY</b>	)	<b>DOCKET NO. 2020-4323</b>
<b>NAIC #23035</b>	)	
	)	
<b>LIBERTY INSURANCE CORPORATION</b>	)	
<b>NAIC #42404</b>	)	

**STIPULATION AND CONSENT ORDER**

**THIS STIPULATION AND CONSENT ORDER** is entered into as of October 5, 2020, by and between Liberty Mutual Fire Insurance Company and Liberty Insurance Corporation (collectively “the Respondents”) and the State of Delaware Department of Insurance (“the Department”). Respondents and the Department are collectively referred to herein as the “Parties.”

**WHEREAS**, Respondents are property and casualty insurance companies incorporated under Wisconsin and Illinois law, respectively, 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 Respondents’ affairs and practices as of March 31, 2019; and

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

**WHEREAS**, Respondents have reviewed and commented on such draft versions of the report of the Examination; and

**WHEREAS**, after considering Respondents' comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of March 31, 2019 ("Final Examination Report"); and

**WHEREAS**, among other findings contained in the Final Examination Report, the Department concluded that the Respondents' practices and procedures did not comply with:

18 *Del. C.* § 2517 Adherence to filings;

18 *Del. C.* § 4122(a) Notification and reasons for declination or termination;

18 *Del. C.* § 4124 Discriminatory practices prohibited;

18 *Del. C.* § 2104 Written notice by Insurer of payment of third-party claims;

18 *Del. Admin. Code* § 902-1.2.1.1 Authority for Regulation; Basis for Regulation;

18 *Del. Admin. Code* § 902-1.2.1.3 Authority for Regulation; Basis for Regulation;

18 *Del. Admin. Code* § 902-1.2.1.13 Authority for Regulation; Basis for Regulation;

18 *Del. Admin. Code* § 902-1.2.1.4 Authority for Regulation; Basis for Regulation; and

18 *Del. Admin. Code* § 902-1.2.1.2 Authority for Regulation; Basis for Regulation (the "Notice Violations"); and

**WHEREAS**, after communications with the Department, Respondents desire 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 Respondents and the Department as follows:

1. Respondents accept the Final Examination Report, waive any right to a hearing thereon, and agree that the Department may file the Final Examination Report without any further modifications.
2. Upon their execution of this Stipulation and Consent Order, Respondents shall jointly pay to the Department an administrative penalty for the Notice Violations in the amount of Twenty

Thousand Dollars (\$20,000.00). Respondents shall make the check for the administrative penalty payable to the "State of Delaware."

3. Respondents waive 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 Respondents, and its terms are binding upon Respondents and may be admitted into evidence in any judicial or administrative proceeding against Respondents to enforce such terms. Respondents acknowledge that they have had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

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

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

7. If the Department fails to act on any one or more defaults by Respondents, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare Respondents in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The persons executing this Stipulation and Consent Order on behalf of Respondents 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 Respondents. Respondents agree that an uncertified

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

9. This Stipulation and Consent Order shall survive Respondents and be enforceable against their successors, transferors, or assigns.

***[Signature Page Follows]***

LIBERTY MUTUAL FIRE  
INSURANCE COMPANY  
NAIC #23035

DELAWARE INSURANCE DEPARTMENT

*Trinidad Navarro*

TRINIDAD NAVARRO

Insurance Commissioner

Date: 10/5/20

LIBERTY INSURANCE  
CORPORATION  
NAIC #12404

*Sebestyen Martens*

SEBESTYEN MARTENS

Print Name:

Title: REGULATORY COUNSEL

Date: AUGUST 17, 2020

Witness to Respondent's Signature

Name:

Title:

Date:

STATE OF \_\_\_\_\_ )

) SS.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2020,  
by \_\_\_\_\_, 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.

NOTARY PUBLIC

PRINT NAME

MY COMMISSION EXPIRES