

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF DELAWARE

IN THE MATTER OF: )

AMERICAN INDEPENDENT )  
INSURANCE COMPANY )

NAIC #17957 )

) DOCKET NO. 2020-4349  
)  
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)

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of

January 19, 2020, by and between American Independent Insurance Company ("the 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 is a property and casualty insurance company incorporated under Pennsylvania law 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 April 30, 2019; 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 April 30, 2019 ("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. C. 2304(17) Failure to maintain complaint handling;

18 Del. C. 3904 Cancellation or non-renewal of automobile policy - Reasons for cancellation or nonrenewal;

18 Del. C. 2712(a) Filing; approval of forms;

18 Del. Admin. Code 903-4.0 Prompt Payment;

18 Del. Admin. Code 902-1.2.1.5 Authority for Regulation; Basis for Regulation;

18 Del. C. 2304 Unfair claim settlement practices (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 One Hundred and Ninety Nine Thousand Dollars (\$199,000.00). 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. 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.

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 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.

8. 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.

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

10. Nothing contained in this Stipulation and Consent Order shall constitute an admission of liability by the Respondent, and this Stipulation and Consent Order shall not confer any rights or remedies upon any person other than the Parties and their respective successors or permitted assigns.

[Signature Page Follows]

AMERICAN INDEPENDENT  
INSURANCE COMPANY

DELAWARE  
INSURANCE DEPARTMENT

NAIC#17957

*Bruce Amerson*

Print Name: BRUCE AMERSON

Title: President

Date: 12/10/20

Witness to Respondent's Signature

Name: CLAUDE DE PLATO

Title: CONTROLLER

Date: 12-10-20

*J. L. Navarro*

TRINIDAD

NAVARRO

Insurance

Commissioner

Date: 1-19-21

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

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