

**BEFORE THE INSURANCE COMMISSIONER**

**FOR THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 )  
ROOT INSURANCE COMPANY )  
 ) DOCKET NO. 4435  
NAIC #10974 )  
 )  
 )  
 )

**STIPULATION AND CONSENT ORDER**

**THIS STIPULATION AND CONSENT ORDER** is entered into as of

December 29, 2020, by and between Root 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 Ohio 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 December 31, 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 December 31, 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 procedures;

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* § 603-11.0 Delaware Form A "Coverage Election";

18 *Del. Admin. Code* § 902-1.2.1.1 Prohibited Unfair Claim Settlement Practices;

18 *Del. Admin. Code* § 902-1.2.1.2 Prohibited Unfair Claim Settlement Practices;

18 *Del. Admin. Code* § 902-1.2.1.3 Prohibited Unfair Claim Settlement Practices;

18 *Del. Admin. Code* § 902-1.2.1.6 Prohibited Unfair Claim Settlement Practices;

18 *Del. Admin. Code* § 2104 4.1 Written Notice by Insurers of Payment of Third-Party Claims (the "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 Violations in the amount of Twenty-Two Thousand Dollars (\$22,000.00). 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 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.

**[Signature Page Follows]**

