

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

IN THE MATTER OF:	)	
	)	
LIBERTY INSURANCE CORPORATION	)	DOCKET NO. 5596
NAIC# 42404	)	
LIBERTY MUTUAL PERSONAL INSURANCE	)	
COMPANY	)	
NAIC #12484	)	
LM INSURANCE CORPORATION	)	
NAIC# 33600	)	

**STIPULATION AND CONSENT ORDER**

**THIS STIPULATION AND CONSENT ORDER** is entered into as of March 28, 2025, by and between Liberty Insurance Corp., Liberty Mutual Personal Insurance Company, and LM Insurance Corp. (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 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 target market conduct examination (“Examination”) of Respondent’s affairs and practices as of July 31, 2023; and

**WHEREAS**, pursuant to 18 *Del. C.* § 321(c), the Department provided Respondent with a verified written report of examination under oath (the “Examination Report”); and

**WHEREAS**, Respondent has reviewed and provided the Department with comments on 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 July 31, 2023 (the “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 the below-listed statutory and regulatory provisions (collectively, the "Violations"):

18 Del. C. § 320. (c) Conduct of examination; access to records; correction

18 Del. C. § 1703. License required

18 Del. C. § 1716. (d) (1) Notification to Insurance Commissioner of termination

18 Del. C. § 2304. (2) Unfair methods of competition and unfair or deceptive acts or practices defined

18 Del. C. § 2304. (1) (a) Unfair methods of competition and unfair or deceptive acts or practices defined

18 Del. C. § 2503. Making of rates

18 Del. Admin. C. §902 - 3.1.1 Prohibited Unfair Claims Settlement Practices

18 Del. Admin. C. §902 - 3.1.2 Prohibited Unfair Claims Settlement Practices

18 Del. Admin. C. §902 - 3.1.5 Prohibited Unfair Claims Settlement Practices

18 Del. Admin. C. §903 - 5.0 Prompt Payment

and

WHEREAS, Respondent cooperated with the Department and are actively working to resolve the Violations identified in the Examination Report

WHEREAS, Respondents do not agree with all Violations alleged in the Examination Report

WHEREAS, following arms-length communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action.

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

1. All of the recitals set forth above are hereby incorporated herein and made a part of this Stipulation and Consent.

2. 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. The Department shall post a copy of the Final Examination Report and this Stipulation and Consent on the Department's public website.

3. Respondent shall immediately implement corrective actions (the "Corrective Actions") for any and all Exceptions and Recommendations included in the Final Examination Report and shall provide the Corrective Action Plan to the Department within thirty (30) days of the date of this Stipulation and Consent Order. Respondent shall report the completion of all corrections within ninety (90) days of the date of the submission of the Corrective Action Plan not to exceed one hundred twenty (120) days from the date of this Stipulation and Consent Order. Within one year after completion of the (90) day Corrective Action Plan, the Department may re-examine the Respondent to determine whether the Corrective Actions were appropriate, properly implemented, and effective. If Respondent continues to be out of compliance by either failing to timely submit the Corrective Actions to the Department, or as determined by the Department's re-examination, the Department may issue additional penalties, including but not limited to, additional administrative monetary penalties, prohibiting new business in the State of Delaware, and suspension or revocation of the Respondent's certificate of authority.

4. Upon execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Violations in the amount of Three Hundred Thousand Dollars (\$300,000.00) with Two Hundred Thousand Dollars (\$200,000.00) contingent upon the

corrective action taken specifically to address the *18 Del. C §2304 (1)(a) and (2)* findings. Payment shall be in the form of a check made payable to the "State of Delaware."

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

6. 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 for any purpose. 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.

7. 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.

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

9. 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 any applicable law.

10. 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.

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

***[Signature Page Follows]***

LIBERTY INSURANCE CORP.,  
LIBERTY MUTUAL PERSONAL  
INSURANCE CO., LM  
INSURANCE CORP.

DELAWARE DEPARTMENT OF INSURANCE

NAIC # 42404, 12484, 33600

Nicole Sportiello

Name  
Title Director state operations  
3 25, 2025

Trinidad Navarro

Trinidad Navarro  
Insurance Commissioner  
April 1st, 2025

**Witness to Respondent's Signature**

Name: SEBASTIEN MARTENS  
Title: REGULATORY COUNSEL  
Date: 3/25/25

STATE OF Massachusetts  
COUNTY OF Middlesex ) SS.

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of March, 2024<sup>5 (ET)</sup>  
by Nicole Sportiello, who is personally known to me or who has produced  
MA Driver's License 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.

Catherine Ternullo  
NOTARY PUBLIC

 Catherine M Ternullo  
NOTARY PUBLIC  
Commonwealth of  
Massachusetts  
My Commission Expires  
11/8/2030  
MY COMMISSION EXPIRES