



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

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IN THE MATTER OF: DOCKET MC 21-98
LEMONADE INSURANCE COMPANY:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Lemonade Insurance Company and the State of Connecticut by and through Andrew N. Mais, Insurance Commissioner to wit:

I

WHEREAS, pursuant to an investigation, the Commissioner alleges the following with respect to Lemonade Insurance Company:

1. Lemonade Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of New York and is licensed to transact property and casualty insurance in the State of Connecticut. The Respondent's NAIC company code number is 16023.
2. Information and exhibits received by Department pursuant to an investigation indicate that the Respondent failed to properly implement its established policies and procedures to ensure compliance with legal requirements resulting in instances of:
 - a. Unlicensed individuals undertaking activities requiring licensure in connection with casualty claims.
 - b. Claim errors and delays.
3. Information and exhibits received by Department show that the Respondent:
 - a. Represented to the Department that it employs a claim submittal process accomplished through a primarily digital process whereby claimants submit a short video of themselves explaining the circumstances of a loss, and stated to the Department that the Respondent does not provide an opt-out to this video. Respondent represented that it does employ an alternative manual claim submission process available both to claimants who prefer not to submit a video of themselves and to claimants who have unresolvable difficulties making the digital process work for themselves.

- b. Did not, in its Privacy Pledge posted on its website available to Connecticut residents, clearly delineate its policies and procedures regarding collection and use of "Images, audio and video recordings."
4. The conduct as described above violates Sections 38a-792 and 38a-816 of the Connecticut General Statutes and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2, 38a-41 38a-774 and 38a-817 of the Connecticut General Statutes for the suspension or revocation of insurance licenses and/or for the imposition of fines.

II

WHEREAS, Respondent admits to the allegations contained in paragraphs two and three of Article I of this Stipulation and Consent Order; and

WHEREAS, Respondent agrees to:

1. review its casualty claims practices and procedures, with respect to those areas of concern described in paragraph two of Article I of this Stipulation and Consent Order, so that those areas of concern are compliant with Connecticut Statutes, and within (90) days of the date of this document to provide the Insurance Commissioner with a full report of findings and a summary of actions taken and planned to comply; and
2. provide a meaningful opportunity for a claimant to submit a claim without recording a video of themselves; and
3. revise its Privacy Pledge to clarify its policies and practices with respect to the matter described in paragraph three (b) of Article I of this Stipulation and Consent Order; and

WHEREAS, Respondent agrees to pay a fine in the amount of \$210,000 with respect to the matters alleged in paragraph four of Article I of this Stipulation and Consent Order; and

WHEREAS, the Respondent, being desirous of terminating this administrative proceeding without the necessity of a formal proceeding or litigation, does consent to the making of this Consent Order and voluntarily waives:

1. any right to a hearing; and
2. any requirement that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
3. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

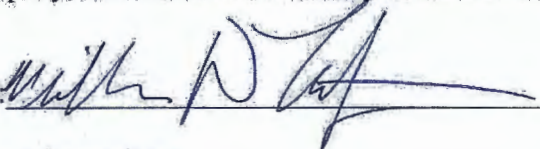
1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Two Hundred Ten Thousand Dollars (\$210,000) for the violations herein above described.

LEMONADE INSURANCE COMPANY

BY: 
(Representative of Insurance Company)

CERTIFICATION

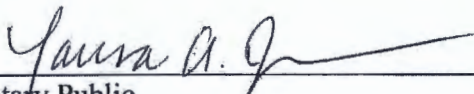
The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 23rd day of February 2022 for and on behalf of Lemonade Insurance Company that he/she is the Secretary of such company, and he/she has authority to execute and file such instrument.

BY: 

State of New York

County of New York


Personally appeared on this 23rd day of February 2022,
William D. Latza signer of the foregoing Stipulation and Consent Order, acknowledged same to be his/her free act and deed before me.


Notary Public



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 8 day of March 2022.


Andrew N. Mais
Insurance Commissioner