



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Stillwater Insurance Company

September 25, 2023

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of Stillwater Insurance Company using a sample period of January 1, 2021 through December 31, 2021. The examination survey was limited to Connecticut Commercial and Personal Auto and Property insurance lines of business.

Stillwater Insurance Company is domiciled in the state of California. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (Property & Casualty) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints and underwriting information requested for the examination period.

The Department's findings are as follows:

- Ten (10) individuals acting as agents of Respondent without the required license
- Three (3) instances of an individual entity acting as an agency of Respondent without required license
- Certain instances discovered where the Respondent failed to undertake to pay Loss of Use damages

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

IN THE MATTER OF:
Stillwater Insurance Company:

x

DOCKET MC 23-82

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STIPULATION AND CONSENT ORDER

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

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to Stillwater Insurance Company:

1. **Stillwater Insurance Company, hereinafter referred to as Respondent, is domiciled in the State of California and is licensed to transact property and casualty insurance in the State of Connecticut. The NAIC company code number is 25180.**
2. From January 5, 2023 through June 30, 2023, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period January 1, 2021 through December 31, 2021.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements resulting in instances of:
 - (a) Ten (10) individuals acting as agents of Respondent without the required license
 - (b) Three (3) instances of an individual entity acting as an agency of Respondent without required license
 - (c) **Certain instances discovered where the Respondent failed to undertake to pay Loss of Use damages**
4. The conduct described in paragraph three is in violation of Sections 38a-702b of the Connecticut General Statutes, and 38a-334-5 of the Connecticut Regulations, along with Bulletin CL -1-07 and constitutes cause for the imposition of a fine or other administrative penalty under Sections 38a-2 and 38a-41 of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits the allegations in paragraphs three and four of Article I of this Stipulation and Consent Order; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures, with respect to those areas of concern, as described in the Market Conduct Report and this Stipulation, so that those areas of concern are compliant with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of findings and a summary of actions taken to comply with the requirements of paragraph two of this Section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of 66,500.00 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating administrative action without the necessity of a formal hearing or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to notice and a hearing; and
 - b. any requirements that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. 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 Sixty-Six Thousand Five Hundred Dollars (\$66,500.00) for the violations herein above described.

Stillwater Insurance Company

By: 

(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that she/he has duly executed this Stipulation and Consent Order on this 6 day of December 2023, for and on behalf of Stillwater Insurance Company; that she/he is the President & CEO of such company, and she/he has authority to execute and file such instrument.

By: Sarah Elaine Austin

STATE OF FL

SS

COUNTY OF Duval

On the 6 day of December 2023, before me personally appeared Mark Davey, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.



Notary Public/Commissioner of The Superior Court

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 14th day of December 2023.

Andrew N. Mais
Andrew N. Mais
Insurance Commissioner