STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF: DOCKET MC 26-16
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 Insurance Department by and through Josh Hershman, Insurance Commissioner to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance 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 NAIC company code number is 16023.

2. From November 4, 2024 to September 11, 2025, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut.

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) Improper advertising of claim settlement practices.
   (b) Failure to file rates with the Connecticut Insurance Department
   (c) Improper underwriting practices
   (d) Failure to include all pertinent information in complaint logs
   (e) Lack of proper documentation related to model oversight and governance

4. The conduct described in paragraph three is in violation of Sections 38a-41, 38a-686, 38a-688, 38a-689 and 38a-816 of the Connecticut General Statutes and Section 38a-334 of the Connecticut Regulations 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 $110.000 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 One Hundred Ten Thousand Dollars ($110.000) for the violations herein above described.

Lemonade 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 13th day of April 2026, for and on behalf of Lemonade Insurance Company that she/he is the Chief Financial Officer of such company, and she/he has authority to execute and file such instrument.

By: _____

STATE OF

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COUNTY OF

On the 13th day of April 2026 before me personally appeared Ronald J Topping, sealer of the foregoing Stipulation and Consent Order, acknowledged same to be her/his act and deed.

E J Rosen

Notary Public/Commissioner of The Superior Court

ERIC ROSEN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02RO0019768
Qualified in New York County
My Commission Expires January 11, 2028

Section Below To Be Completed by State of Connecticut Insurance Department

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Dated at Hartford, Connecticut this 30th day of April 2026.

Joshua Hershman
Insurance Commissioner