BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of

THE NATIONAL RIFLE ASSOCIATION
OF AMERICA,

Respondent.

File No. OC201700492-AP

ORDER ADOPTING STIPULATION

The attached Stipulation is hereby adopted as the Order of the Insurance
Commissioner of the State of California.

This Order shall be effective immediately.

IN WITNESS THEREOF, I have set my hand and affixed my official seal on
May 1st, 2019.

By
RICARDO LARA
Insurance Commissioner
BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of

THE NATIONAL RIFLE ASSOCIATION
OF AMERICA,

Respondent.

File No. OC201700492-AP

To the California Department of Insurance:

Respondent, The National Rifle Association of America, enters into this Stipulation and Waiver in the above-captioned matter as follows:

1. The NRA received a copy of the Order to Cease and Desist and Notice of Right to Hearing, dated September 11, 2018, in the above-captioned matter.

2. On September 18, 2018, the NRA requested a hearing with the Insurance Commissioner on the allegations in the Order to Cease and Desist.

3. The NRA wishes to avoid an evidentiary hearing and decision in this matter. The NRA hereby waives Notice of Hearing and hearing, and all other rights which may be accorded pursuant to California Insurance Code § 12921.8.

4. The NRA admits the allegations in Paragraphs 2 through 11, and 13, of the Order to Cease and Desist.
5. The NRA states the following:

a. The Carry Guard Personal Firearms Liability Including Self Defense Insurance Policy ("Policy") is administered by Lockton Affinity Series of Lockton Affinity, LLC ("Lockton"), and underwritten by Illinois Union Insurance Company, a Chubb insurer ("Chubb").

b. The NRA made certain changes to the NRA's Carry Guard website so that it contains no references to insurance or any suggestion that a person purchase insurance. The website instead addresses only the non-insurance benefits of the Carry Guard program. After the changes, the only reference to insurance on the website is a permissible Lockton banner advertisement that indicates the availability of insurance coverage. If a consumer wishes to obtain information concerning insurance coverage, they are redirected to a Lockton website.

6. The NRA also asserts that prior to the Cease and Desist Order, Lockton, the NRA, and Chubb reviewed the structure of the Carry Guard program, and changes were made to avoid the appearance that the NRA may be soliciting insurance sales in California. Specifically, the NRA asserts that all direct mail and other communications sent by or on behalf of the NRA contain no references to insurance, other than a permissible Lockton advertisement that indicates the availability of insurance coverage.

7. The NRA acknowledges that the Commissioner may have reasonably interpreted the messages described by the Department in Paragraphs 10 and 11 of the Order to Cease and Desist as constituting a solicitation to purchase the Carry Guard Policy. The NRA does not admit or deny any liability, wrongdoing, or violation in
connection with any allegations in the Order to Cease and Desist not specifically referred to in this Stipulation and Waiver.

8. The NRA asserts that as of the date of this Stipulation and Waiver, there is no evidence that it is currently violating California Insurance Code § 1631, which prohibits a person from soliciting, negotiating, or effecting contracts of insurance unless the person holds a valid license from the Insurance Commissioner authorizing the person to act in such a capacity. The NRA has never held a valid license to solicit, negotiate, or effect contracts of insurance in California.

9. The NRA shall continue to refrain from transacting insurance in the State of California. Transacting insurance, as defined by California Insurance Code §§ 35 and 1631, includes, but is not limited to, performing any of the following activities: soliciting business as an insurance agent or broker; advertising or holding oneself out to be an insurance agent or broker in any manner; negotiating insurance contracts; executing contracts of insurance; and transacting any matter subsequent to the execution of an insurance contract and arising out of it.

10. The Commissioner shall retain jurisdiction to ensure that the NRA complies with the terms of this Stipulation and Waiver. Nothing contained in this Stipulation and Waiver shall prevent the Commissioner from taking action at any time to enforce this Stipulation and Waiver if the Commissioner believes that the NRA is not in compliance with its terms and conditions.

11. Upon the Commissioner's adoption of this Stipulation and Waiver by issuance of a written order, this matter will be fully resolved and neither the Commissioner nor the Department will take any further action, including any future enforcement action, against the NRA based upon the specific allegations set forth in the Order.
to Cease and Desist.

12. This Stipulation and Waiver does not limit or waive the Commissioner’s authority to bring further disciplinary action against the NRA for violations not specified in the Order to Cease and Desist or this Stipulation and Waiver, whether such violations occurred before or after the date of this Stipulation and Waiver.

13. This Stipulation and Waiver does not settle, waive, release, limit, or prohibit administrative, civil, or criminal investigations and actions against the NRA involving matters alleged in or arising out of the allegations in the Order to Cease and Desist that have been or may be commenced by any entity other than the Department. By entering into this Stipulation and Waiver, the NRA does not waive or limit any defense that might otherwise apply in such an investigation or action.

14. The NRA acknowledges that California Insurance Code § 12921(b)(1) requires the Insurance Commissioner or a delegate to approve the final settlement of this matter. Both the settlement terms and conditions contained herein and the acceptance of those terms and conditions are contingent upon such approval.

15. The NRA acknowledges the opportunity to confer with counsel. The NRA freely and voluntarily executes this Stipulation and Waiver, with a full realization of the legal rights set forth in the Stipulation and Waiver.
Respondent, the NRA, declares the above to be true under penalty of perjury
under the laws of the State of California, and executes this Stipulation and Waiver as
follows:

Dated: April 23, 2019

THE NATIONAL RIFLE ASSOCIATION
OF AMERICA

Signed: John C. Frazer

Name: John C. Frazer

Title: General Counsel