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**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 15th, 2019.



[Handwritten signature]

By _____
RICARDO LARA
Insurance Commissioner

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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of

File No. OC201700492-AP

THE NATIONAL RIFLE ASSOCIATION
OF AMERICA,

STIPULATION AND WAIVER

Respondent.

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.

- 1 5. The NRA states the following:
2
3 a. The Carry Guard Personal Firearms Liability Including Self Defense Insurance
4 Policy ("Policy") is administered by Lockton Affinity Series of Lockton Affinity,
5 LLC ("Lockton"), and underwritten by Illinois Union Insurance Company, a
6 Chubb insurer ("Chubb").
7
8 b. The NRA made certain changes to the NRA's Carry Guard website so that it
9 contains no references to insurance or any suggestion that a person purchase
10 insurance. The website instead addresses only the non-insurance benefits of
11 the Carry Guard program. After the changes, the only reference to insurance
12 on the website is a permissible Lockton banner advertisement that indicates
13 the availability of insurance coverage. If a consumer wishes to obtain
14 information concerning insurance coverage, they are redirected to a Lockton
15 website.
16
17 6. The NRA also asserts that prior to the Cease and Desist Order, Lockton, the
18 NRA, and Chubb reviewed the structure of the Carry Guard program, and
19 changes were made to avoid the appearance that the NRA may be soliciting
20 insurance sales in California. Specifically, the NRA asserts that all direct mail and
21 other communications sent by or on behalf of the NRA contain no references to
22 insurance, other than a permissible Lockton advertisement that indicates the
23 availability of insurance coverage.
24
25 7. The NRA acknowledges that the Commissioner may have reasonably interpreted
26 the messages described by the Department in Paragraphs 10 and 11 of the Order
27 to Cease and Desist as constituting a solicitation to purchase the Carry Guard
28 Policy. The NRA does not admit or deny any liability, wrongdoing, or violation in

1 connection with any allegations in the Order to Cease and Desist not specifically
2 referred to in this Stipulation and Waiver.

3
4 8. The NRA asserts that as of the date of this Stipulation and Waiver, there is no
5 evidence that it is currently violating California Insurance Code § 1631, which
6 prohibits a person from soliciting, negotiating, or effecting contracts of insurance
7 unless the person holds a valid license from the Insurance Commissioner
8 authorizing the person to act in such a capacity. The NRA has never held a valid
9 license to solicit, negotiate, or effect contracts of insurance in California.

10
11 9. The NRA shall continue to refrain from transacting insurance in the State of
12 California. Transacting insurance, as defined by California Insurance Code §§ 35
13 and 1631, includes, but is not limited to, performing any of the following activities:
14 soliciting business as an insurance agent or broker; advertising or holding oneself
15 out to be an insurance agent or broker in any manner; negotiating insurance
16 contracts; executing contracts of insurance; and transacting any matter
17 subsequent to the execution of an insurance contract and arising out of it.

18
19 10. The Commissioner shall retain jurisdiction to ensure that the NRA complies with
20 the terms of this Stipulation and Waiver. Nothing contained in this Stipulation and
21 Waiver shall prevent the Commissioner from taking action at any time to enforce
22 this Stipulation and Waiver if the Commissioner believes that the NRA is not in
23 compliance with its terms and conditions.

24
25 11. Upon the Commissioner's adoption of this Stipulation and Waiver by issuance of a
26 written order, this matter will be fully resolved and neither the Commissioner nor
27 the Department will take any further action, including any future enforcement
28 action, against the NRA based upon the specific allegations set forth in the Order

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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.

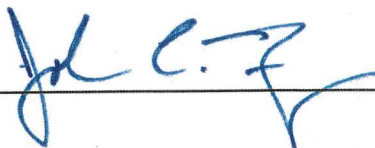
15. The NRA acknowledges the opportunity to confer with counsel. The NRA freely and voluntarily executes this Stipulation and Waiver, with a full realization of the legal rights set forth in the Stipulation and Waiver.

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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: 

Name: John C. Frazer

Title: General Counsel