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12 *Attorneys for The California Department of Insurance*

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

15 In the Matter of the Rating and  
16 Underwriting Practices and Procedures of  
17  
18 AXIS INSURANCE COMPANY,  
19  
20 Respondent.

**File No. NC-2025-00035**

**SETTLEMENT STIPULATION AND  
21 CONSENT TO ORDER; [PROPOSED]  
22 CONSENT ORDER**

23 The DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA (the  
24 “Department”) and AXIS INSURANCE COMPANY (“Respondent”) (collectively the  
25 “Parties”), stipulate as follows:

26 1. The Department has jurisdiction over Respondent, a licensed, admitted insurer in  
27 the state of California.

28 2. At all relevant times, Respondent transacted the business of insurance in  
California on risks or lines subject to the provisions of the California Insurance Code  
 (“Insurance Code”) and the California Code of Regulations (“Regulations”).

3. In or around October 2024, Respondent submitted a new program rate  
application filing (CDI File #24-2161) for Commercial Inland Marine Coverage (“Inland  
Marine”). The filing contained a split deductible structure for “Theft” and “All Other Perils.”

4. The Department thereafter approved CDI File #24-2161 on May 2, 2025.  
Respondent subsequently sold 13 policies containing a deductible structure different from what

1 was approved in Respondent’s CDI File #24-2161 filing and which had not been approved in  
2 any other filing.

3           5. On or around September 9, 2025, Respondent filed what it called a  
4 “Correction Filing” (CDI File #25-1943), which is not a filing type recognized by the  
5 Department. Initially, Respondent indicated that its “Correction Filing” contained a variation of  
6 its previously approved deductible structure in CDI File #24-2161, and was filed to correct  
7 errors in the 13 issued policies. The Department is informed and believes and based thereon  
8 alleges that the Correction Filing (CDI File #25-1943) had no connection to the 13 sold policies,  
9 and thus, Respondent was effectively seeking to operate with three different deductible  
10 structures: (1) the split deductible structure approved in CDI File #24-2161, (2) the deductible  
11 structure proposed in CDI File #25-1943, and (3) the split deductible structure contained in the  
12 policies sold to the 13 policyholders.

13           6. The Department thereafter issued a Notice of Noncompliance, which Respondent  
14 acknowledges having received, alleging that Respondent violated, *inter alia*, Insurance Code  
15 sections 1861.05, subsection (b), and 1861.01, subsection (c), by selling 13 policies with  
16 deductible structures, and thus policies, which did not comply with a filed and approved rate  
17 plan.

18           7. Having fully reviewed the allegations of violations of the California Insurance  
19 Code as set forth in the Notice of Noncompliance filed in this matter, Respondent hereby  
20 voluntarily and willingly enters into this Settlement Stipulation and Consent to Order  
21 (“Stipulation”) with the Insurance Commissioner of the State of California (“Commissioner”),  
22 as a means of achieving a full and final resolution of the allegations set forth in the Notice of  
23 Noncompliance, in lieu of an evidentiary hearing and Order.

25           8. Respondent has met and conferred with the Department regarding the facts and  
26 circumstances giving rise to the allegations set out in the Notice of Noncompliance.

27           9. The Parties believe it is in the public interest to resolve this matter without the  
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1 need for a hearing or any other administrative action.

2 10. Respondent has undertaken, or will be undertaking, certain corrective steps with  
3 respect to its previous filings and other actions, including

- 4 a. Respondent has withdrawn its "Correction Filing" (CDI File #25-  
5 1943);
- 6 b. Respondent has paused its currently approved filing (CDI File #24-  
7 2161) to ensure adherence with the filing and all applicable rules; and
- 8 c. Respondent will correct the 13 previously-sold policies, once the  
9 policies come up for renewal, such that the 13 policies will comply  
10 with Respondent's approved filing (CDI File #24-2161).

11 11. In addition to the corrective actions discussed above, Respondent agrees to take  
12 the following additional steps with respect to its rate filing practices:

- 13 a. Respondent shall pay a penalty of \$100,000 within 30 days of receiving  
14 an invoice with payment instructions from the Department; and
- 15 b. Respondent shall transact all future insurance business in compliance  
16 with Insurance Code sections 1861.01, subsection (c), 1861.05,  
17 subsection (b), and all other applicable provisions of the Insurance  
18 Code and Regulations.

19 12. At the present time, the Department agrees that by taking the actions listed above  
20 and paying the penalty specified in this Stipulation, Respondent has or will have achieved  
21 compliance with California insurance laws solely with respect to the facts, circumstances, and  
22 allegations set forth in this Stipulation and in the operative Notice of Noncompliance that is the  
23 subject of this Stipulation.

24 13. Other than as set forth in this Stipulation, the Parties agree that no factual findings  
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1 or legal conclusions have been made.

2 14. Respondent denies the allegations contained in the Notice of Noncompliance and  
3 by entering into this stipulated agreement, memorialized by this Stipulation, Respondent makes  
4 no admission of liability, wrongdoing, or violation of law.

5 15. Respondent waives its rights to a hearing and any and all rights to which it may be  
6 entitled pursuant to Chapter 5, Part 1, Division 3, Title 2, (Sections 11500-11529 of the California  
7 Government Code), and by Insurance Code Section 1858.1.

8 16. This Stipulation includes all acts related to Respondent's alleged actions and  
9 inactions that led the Department to issue the Notice of Noncompliance. This Stipulation does not  
10 extend to any issue(s), act(s), and/or omission(s) that have not been expressly described herein.  
11 Nothing in this Stipulation precludes the Department from pursuing other actions against  
12 Respondent based upon conduct not related to Respondent's alleged actions and inactions  
13 described herein and in the operative Notice of Noncompliance that is the subject of this  
14 Stipulation.

15 17. The Parties intend this Stipulation to be an integrated writing representing the  
16 complete, final, and exclusive embodiment of their agreement. This Stipulation represents a full,  
17 final, exclusive, and complete resolution and settlement of all issues raised in the Notice of  
18 Noncompliance between the Department and the Respondent and supersedes and replaces all  
19 prior negotiations, communications, or agreements (whether written or oral) on the subject matter  
20 of this Stipulation. This Stipulation may not be amended, modified, supplemented, or otherwise  
21 changed, except in a writing executed by an authorized representative of each Party and approved  
22 by an Order of the Commissioner.

23 18. Respondent acknowledges that this Stipulation is a public record as required by  
24 Government Code Section 11517(d), and that this Stipulation will be accessible to the public  
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1 pursuant to the California Public Records Act, Government Code Sections 6250 *et seq.* The  
2 Stipulation will be posted on the Department’s Internet website pursuant to Insurance Code  
3 Section 12968.

4           19. Respondent acknowledges that Insurance Code Section 12921(b)(1) requires the  
5 Insurance Commissioner of the State of California (“Commissioner”) to approve the final  
6 settlement of this matter. Both the settlement terms and conditions in this Stipulation and the  
7 acceptance of those terms and conditions are contingent upon the Commissioner’s approval,  
8 which shall be evidenced and memorialized by the Commissioner’s execution of the PROPOSED  
9 CONSENT ORDER set forth below. By signing the Stipulation, Respondent understands and  
10 agrees that it may not withdraw its agreement or rescind the Stipulation prior to the time the  
11 Commissioner considers and acts upon the Stipulation and Proposed Consent Order. If the  
12 Commissioner rejects the Stipulation and does not execute the proposed Consent Order, the  
13 Stipulation shall be of no force and effect except for this paragraph, and it shall be inadmissible  
14 in any legal action between the Parties. Any dispute over the admissibility, or lack thereof, of the  
15 rejected stipulation and any related drafts or communications regarding settlement shall be  
16 governed by applicable provisions of the California Insurance Code and related regulations, the  
17 California Evidence Code, and any other applicable California law or regulation.

18           20. This Stipulation will become final and effective only when it is approved and  
19 expressly adopted by the Commissioner as evidenced by the execution of the Order below.

20           21. Discussions, admissions, concessions, or offers to stipulate or settle made by any  
21 party in negotiating this Stipulation, are not discoverable, shall remain confidential, and shall not  
22 be admissible for any purpose in any proceeding unless so authorized by a judicial officer (e.g.,  
23 Administrative Law Judge or California Superior Court Judge) in compliance with applicable  
24 California laws and regulations.

1           22.     The Department and Respondent have participated jointly in the negotiation and  
2 drafting of this Stipulation, and, in the event an ambiguity or question of intent or interpretation  
3 arises, this Stipulation shall be construed as jointly drafted by the Parties hereto, and no  
4 presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the  
5 authorship of any provision of this Agreement.  
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7           23.     Nothing contained in this Stipulation and any executed Consent Order constitutes  
8 a limitation upon or a waiver of the rights and powers of the Commissioner to enforce any  
9 California law, to examine the rating, underwriting, and/or any other business practices of  
10 Respondent, to take corrective or disciplinary action, to assess penalties against Respondent as  
11 provided for by law, or to take such other action as necessary to protect the public based upon  
12 conduct that is not addressed in the Notice of Noncompliance and in this Stipulation and any  
13 executed Consent Order.  
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15           24.     In particular, nothing contained in this Stipulation forecloses or otherwise restricts  
16 the Department from initiating a new enforcement action or other administrative actions against  
17 Respondent based upon newly discovered or otherwise different facts not alleged in the Notice of  
18 Noncompliance operative here, including without limitation, any newly discovered rating issues  
19 concerning Respondent's Loss Cost Multipliers ("LCMs").  
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21           25.     This Agreement may be executed in counterparts, each of which shall be deemed  
22 to be an original but all of which taken together shall constitute one and the same agreement and  
23 shall only become effective when counterparts have been signed and delivered by each of the  
24 Parties to the Department. In the event that any signature is delivered by facsimile transmission  
25 or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding  
26 obligation of the Party executing (or on whose behalf such signature is executed) with the same  
27 force and effect as if such facsimile or ".pdf" signature page were an original thereof.  
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26. Respondent acknowledges that it freely and voluntarily executed this Stipulation with full realization of its legal rights.

27. The Commissioner retains jurisdiction to ensure that the Parties comply with the provisions and terms of this Stipulation and the Order requested thereon.

28. The undersigned represent and warrant under the penalty of perjury under the laws of the State of California that they have full and complete authority to enter into this Stipulation and bind the party on whose behalf they are signing to all of the terms of this Stipulation.

**IT IS SO STIPULATED.**


Dated: April 27, 2026

AXIS INSURANCE COMPANY

By   
Name Andrew M. Weissert  
Title SVP, General Counsel & Secretary

Dated: April 24, 2026

CALIFORNIA DEPARTMENT OF INSURANCE

By   
Duncan Montgomery  
Staff Counsel

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

In the Matter of the Rating and Underwriting Practices and Procedures of  
AXIS INSURANCE COMPANY,  
Respondent.

**File No. NC-2025-00035  
ORDER ADOPTING STIPULATION AND  
CONSENT ORDER**

**CONSENT ORDER**

Having reviewed the parties’ Stipulation and good cause appearing, I approve the terms of the Stipulation and adopt and incorporate those terms by reference as though fully set forth herein as the Order of the Insurance Commissioner of the State of California in this matter, and order as follows:

Respondent shall take the following steps with respect to its rate filing practices:

- a. Respondent shall pay a penalty of \$100,000 within 30 days of receiving an invoice with payment instructions from the Department; and
- b. Respondent shall transact all future insurance business in compliance with Insurance Code sections 1861.01, subsection (c), 1861.05, subsection (b), and all other applicable provisions of the Insurance Code and the California Code of Regulations.

**IT IS SO ORDERED.**

Dated: May 06, 2026

*Ricardo Lara*  
\_\_\_\_\_  
RICARDO LARA  
California Insurance Commissioner