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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 KNIGHTBROOK INSURANCE
19 COMPANY,
20
21 Respondent.

22 File No. NC-2024-00014

23 SETTLEMENT STIPULATION AND
24 CONSENT TO ORDER; [PROPOSED]
25 CONSENT ORDER

26 The DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA (the
27 “Department”) and KNIGHTBROOK INSURANCE COMPANY (“Respondent”) (collectively
28 the “Parties”), stipulate as follows:

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

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. On May 22, 2019, Respondent submitted a new program filing for its Homeowners Multi-Peril Program (CDI File No. 19-1894/SERFF No. MISF-131946868). The application was approved on or about September 25, 2019, and Respondent began issuing renters HO-4 policies (hereafter “Renters Program”).

4. On May 10, 2024, Respondent submitted a withdraw program filing (CDI File

1 No. 24-939/SERFF No. MOCC-134082294) (“Filing”) to formally notify the Commissioner
2 that Respondent had taken steps to non-renew its Renters Program because Respondent was
3 unable to obtain reinsurance. Review of the Filing and information provided by Respondent
4 showed that, as of April 22, 2024, Respondent had issued nonrenewal notices to 7,791
5 policyholders, and there were still 3,501 policies in force. Respondent withdrew the Filing on
6 April 17, 2024, after Respondent determined it would be able to obtain the reinsurance
7 necessary to continue offering the Renters Program.

8 5. Based upon these ongoing communications as well as additional information and
9 documents Respondent provided to the Department, including but not limited to information
10 contained in the Filing, and as set forth in the Notice of Noncompliance, which has been
11 provided to Respondent, the Department is informed and believes and thereupon alleges that
12 Respondent violated, *inter alia*, Insurance Code section 674.6, subsections (a) and (b)(4),
13 675(a)(1), by failing to provide advance notice to the Commissioner of Respondent’s intent to
14 cease offering the Renters Program.

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

21 7. Respondent has met and conferred with the Department regarding the facts and
22 circumstances giving rise to the allegations set out in the final Notice of Noncompliance.

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

25 9. Respondent has agreed to take the following steps with respect to its nonrenewal
26 practices:

- 27 a. Respondent shall pay a penalty of \$200,000 within 30 days of receiving an invoice
28 with payment instructions from the Department;

1 b. If at any time during the next three (3) years after the terms of this Stipulation are
2 adopted as an order of the Commissioner, the Department discovers that
3 Respondent has not complied with Chapter 10.4 of the Insurance Code, sections
4 section 674 through 674.9, Respondent agrees to pay a penalty of \$200,000,
5 subject to any subsequent agreement by the Department, change in applicable law,
6 and/or any enforcement action as may be required; and

7 c. Respondent shall transact all future insurance business in compliance with all
8 applicable provisions of the Insurance Code and the California Code of
9 Regulations.

10 10. Other than as set forth in this Stipulation, the Parties agree no factual findings or
11 legal conclusions have been made.

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

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

18 13. This Stipulation includes all acts related to Respondent's alleged actions and
19 inactions that led the Department to issue the Notice of Noncompliance. Nothing in this
20 Stipulation precludes the Department from pursuing other action against Respondent based upon
21 conduct that is not related to Respondent's alleged actions and inactions described herein and in
22 the Notice of Noncompliance.

23 14. The Parties intend this Stipulation to be an integrated writing representing the
24 complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or
25 contemporaneous agreements, understandings, discussions, negotiations, and commitments
26 (written or oral). This Stipulation may not be amended, modified, supplemented, or otherwise
27 changed, except by a writing executed by an authorized representative of each of the parties.
28

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

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

20 17. This Stipulation represents a full, final, and complete resolution and settlement of
21 all issues raised in the Notice of Noncompliance between the Department and the Respondent and
22 supersedes and replaces prior negotiations, communications, or agreements on the subject matter
23 of this Stipulation. This Stipulation may not be modified unless agreed in a writing executed by
24 all parties and approved by an Order of the Commissioner.

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

27 19. Discussions, admissions, concessions, or offers to stipulate or settle made by any
28 party in negotiating this Stipulation, are not discoverable, shall remain confidential, and shall not

1 be admissible for any purpose in any proceeding unless so authorized by a judicial officer (e.g.,
2 Administrative Law Judge or California Superior Court Judge) in compliance with applicable
3 California laws and regulations.

4 20. The Department and Respondent have participated jointly in the negotiation and
5 drafting of this Stipulation, and, in the event an ambiguity or question of intent or interpretation
6 arises, this Stipulation shall be construed as jointly drafted by the Parties hereto, and no
7 presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the
8 authorship of any provision of this Agreement.

9 21. Nothing contained in this Stipulation and any executed Consent Order constitutes
10 a limitation upon or a waiver of the rights and powers of the Commissioner to enforce any
11 California law, to examine the rating, underwriting, and/or any other business practices of
12 Respondent, to take corrective or disciplinary action, to assess penalties against Respondent as
13 provided for by law, or to take such other action as necessary to protect the public based upon
14 conduct that is not addressed in the Notice of Noncompliance and in this Stipulation and any
15 executed Consent Order.

16 22. This Agreement may be executed in counterparts, each of which shall be deemed
17 to be an original but all of which taken together shall constitute one and the same agreement and
18 shall only become effective when counterparts have been signed and delivered by each of the
19 Parties to the Department. In the event that any signature is delivered by facsimile transmission
20 or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding
21 obligation of the Party executing (or on whose behalf such signature is executed) with the same
22 force and effect as if such facsimile or “.pdf” signature page were an original thereof.

23 23. Respondent acknowledges that it freely and voluntarily executed this Stipulation
24 with full realization of its legal rights.

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

27 25. The undersigned represent and warrant under the penalty of perjury under the laws
28 of the State of California that they have full and complete authority to enter into this Stipulation

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and bind the party on whose behalf they are signing to all of the terms of this Stipulation.

IT IS SO STIPULATED.

Dated: MARCH, 25th, 2026

KNIGHTBROOK INSURANCE COMPANY

By 
Amit Shah
President

Dated: March 25, 2026

CALIFORNIA DEPARTMENT OF INSURANCE

By Melissa A. Wurster
Melissa Wurster
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 the

KNIGHTBROOK INSURANCE COMPANY,

Respondent.

File No. NC-2024-00014

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 nonrenewal practices:
 - a. Respondent shall pay a penalty of \$200,000 within 30 days of receiving an invoice with payment instructions from the Department;
 - b. Respondent shall pay a stipulated penalty of an additional \$200,000, if at any time during the next three (3) years after the terms of this Stipulation are adopted as an order of the Commissioner, the Department discovers that Respondent has not complied with Chapter 10.4 of the Insurance Code, sections 674 through 674.9, subject to any subsequent agreement by the Department, change in applicable law, and/or any enforcement action as may be required; and
 - c. Respondent shall transact all future insurance business in compliance with all applicable provisions of the Insurance Code and the California Code of Regulations.

IT IS SO ORDERED.

Dated: 4/2/26, 2026

Ricardo Lara
RICARDO LARA
California Insurance Commissioner