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8 **BEFORE THE INSURANCE COMMISSIONER**
9 **OF THE STATE OF CALIFORNIA**
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11 In the Matter of the Rating and
12 Underwriting Practices and Procedures of
13 GLOBAL AEROSPACE, INC.,
14 Respondent.

File No. NC-2023-00002

STIPULATION AND CONSENT ORDER

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16 The DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA (the
17 “Department”) and GLOBAL AEROSPACE, INC. (“Global” or “Respondent”) (collectively
18 the “Parties”), stipulate as follows:

19 1. The Department has jurisdiction over Respondent, a licensed Producer in
20 California assigned License No. OK47154.

21 2. At all relevant times, Respondent transacted the business of insurance in
22 California on risks or lines subject to the provisions of the California Insurance Code (“Cal.
23 Ins. Code”) and the California Code of Regulations (“CCR”), including Cal. Ins. Code §§
24 1861.01, subd. (c); 1861.05, subd. (a) and (b); 10 CCR §§ 2360.3 and 2360.4. Pursuant to Cal.
25 Ins. Code §1858.1.

26 3. Respondent acknowledges receipt of the Notice of Noncompliance in this matter.

27 4. The purpose of this Stipulation and Consent Order ("Stipulation") is to resolve
28 the contested issues between the Parties based upon the Department’s position in addressing
Respondent’s belief it was not required to make certain rate and form filings.

1 5. Respondent has met and conferred with the Department regarding the facts and
2 circumstances giving rise to the allegations set out in the Notice of Noncompliance.

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

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

7 8. Respondent denies the allegations contained in the Notice of Noncompliance and
8 by entering into this Stipulation, Respondent makes no admission of liability, wrongdoing, or
9 violation of law. In addition, Respondent waives its rights to a hearing and any and all rights
10 to which it may be entitled pursuant to Chapter 5, Part 1, Division 3, Title 2, (Sections 11500-
11 11529 of the California Government Code), and by the Cal. Ins. Code Section 1858.1.

12 9. Respondent has agreed to take the following steps with respect to its rating and
13 underwriting practices:

- 14 a. Respondent agrees to submit and file, with the Department's Rate and
15 Regulation Division, a complete Prior Approval Rate Application ("Application"
16 or "Applications"), meeting the applicable requirements of Cal. Ins. Code
17 §§1861.01, subd. (c); 1861.05, subd. (a) and (b); 10 CCR §§ 2360.3 and 2360.4,
18 for each and every unfiled and unapproved policy and endorsement currently in
19 use in California and for which the Department alleges rate and form violations;
- 20 b. Respondent agrees to submit the Applications on a rolling basis with the first
21 submission occurring on or before December 31, 2024, assuming the
22 Commissioner's Order adopting this Stipulation occurs on or before October 31,
23 2024. Respondent agrees to complete its filing of Applications within twenty-
24 four (24) months from the date of adoption of this Stipulation.

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

1 11. In further compromise of the issues arising from the issuance of the Notice of
2 Noncompliance, pursuant to Cal. Ins Code Section 1858.07, Respondent agrees to and shall
3 pay, within ten (10) Business Days after receiving an invoice from the California Department
4 of Insurance, Accounts Receivable Unit, Accounting Services Bureau in the amount of three
5 million seven hundred thousand dollars (\$3,700,000) (“Resolution Amount”) pursuant to the
6 terms of this Stipulation.

7 12. Respondent acknowledges that this Stipulation is a public record as required by
8 Government Code section 11517(d) and that this Stipulation will be accessible to the public
9 pursuant to the California Public Records Act, Government Code sections 7920 *et seq.* The
10 Stipulation will be posted on the Department's Internet website pursuant to Cal. Ins. Code
11 Section 12968.

12 13. Respondent acknowledges that Cal. Ins. Code Section 12921(b)(1) requires the
13 Insurance Commissioner of the State of California ("Commissioner") to approve the final
14 settlement of this matter. Both the settlement terms and conditions in this Stipulation and the
15 acceptance of those terms and conditions are contingent upon the Commissioner's approval,
16 which shall be evidenced and memorialized by the issuance of an ORDER ADOPTING
17 TERMS OF PARTIES’ STIPULATION AS THE ORDER OF THE INSURANCE
18 COMMISSIONER.

19 14. This Stipulation represents a full, final resolution and settlement of all issues
20 raised in the Notice of Noncompliance between the Department and the Respondent.

21 15. Discussions, admissions, concessions or offers to stipulate or settle made by any
22 party in negotiating this Stipulation, are confidential and are not discoverable or admissible
23 for any purpose in any proceeding.

24 16. The Commissioner’s approval of this Stipulation shall not constitute approval of
25 or precedent regarding any principle or any issue in any other proceeding with the
26 Respondent.

27 17. The Department and Respondent have participated jointly in the negotiation and
28 drafting of this Stipulation, and, in the event an ambiguity or question of intent or
interpretation arises, this Stipulation shall be construed as jointly drafted by the Parties hereto,

1 and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue
2 of the authorship of any provision of this Agreement.

3 18. Nothing contained in this Stipulation and the Commissioner's Order adopting it
4 constitutes a limitation upon, or a waiver of the rights and powers of the Commissioner to
5 enforce any California law, to examine the rating, underwriting and any other business
6 practices of Respondent, to take corrective or disciplinary action, to assess penalties against
7 Respondent as provided for by law, or to take such other action as necessary to protect the
8 public. But the Department shall not seek any additional penalty against Respondent based on
9 any of the allegations contained in the Notice of Noncompliance arising from acts occurring
10 before the issuance of the Insurance Commissioner's final order adopting the Parties'
11 Stipulation to settle this matter.

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

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

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

24 22. **IT IS SO STIPULATED.**
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Dated: November 6, 2024

CARLTON FIELDS, LLP

By: Barry Leigh Weissman
BARRY LEIGH WEISSMAN

Attorneys for Respondent Global Aerospace, Inc

Dated: November 6, 2024

CALIFORNIA DEPARTMENT OF
INSURANCE

By: Daniel Wade
DANIEL ROBERT WADE

*Attorneys for the California Department of
Insurance*

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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

GLOBAL AEROSPACE, INC. (NAIC AA-9995137),

Respondent.

File No. NC-2023-00002

ORDER ADOPTING TERMS OF PARTIES' STIPULATION AS THE ORDER OF THE INSURANCE COMMISSIONER

ORDER

Having reviewed the parties' Stipulation and good cause appearing, I approve the terms of the Stipulation and adopt those terms as the Order of the Insurance Commissioner of the State of California in this matter.

Dated: November 27, 2024

RICARDO LARA
Insurance Commissioner

