

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
IN AND FOR LEON COUNTY, FLORIDA

STATE OF FLORIDA, *et al.*,

Plaintiffs,

v.

Case No.

THE TRAVELERS COMPANIES, INC.,

Defendant.

STIPULATED CONSENT DECREE AND FINAL JUDGMENT

THIS CAUSE came on before the undersigned Judge for entry of a Stipulated Consent Decree And Final Judgment (the “*Stipulated Judgment*”) between Plaintiffs, Bill McCollum, in his capacity as Attorney General of the State of Florida, Department of Legal Affairs, Alex Sink, in her capacity as Chief Financial Officer of the State of Florida, Department of Financial Services, and Kevin M. McCarty, in his capacity as Insurance Commissioner, Florida Office of Insurance Regulation (collectively, the “Plaintiffs”), and Defendant, The Travelers Companies, Inc. (the “*Company*”), concerning compensation and other arrangements between the *Company*’s United States – domiciled affiliates that issue insurance policies (the “*Travelers Insurers*”) and various *Producers* (as defined below), including Marsh & McLennan Companies, Inc. and its affiliates or subsidiaries (collectively, “*Marsh*”). The Plaintiffs alleged that, between 2001 and 2004, these arrangements violated various laws and that certain purchasers of insurance may have paid artificially inflated prices for the excess casualty commercial insurance policies sold to clients of *Marsh* and other *Producers*. The Attorney General alleged that these arrangements

violated various laws, including the Florida Antitrust Act, Chapter 542, Florida Statutes (2007), and the Chief Financial Officer and the Insurance Commissioner alleged that these arrangements violated various laws within the Florida Insurance Code. The *Company* does not admit these allegations and denies that the activities of the *Travelers Insurers* violated federal or state antitrust laws, applicable insurance laws or any other federal or state laws. Nonetheless, to avoid the uncertainty and expense of protracted litigation, the *Company* agrees to enter into this *Stipulated Judgment*.

It is hereby **ORDERED, ADJUDGED** and **DECREED** as follows:

I. PARTIES

1. The *Company* is a Minnesota corporation headquartered in Minnesota. The *Travelers Insurers* have offices situated and issuing insurance policies in the United States. Certain of the *Travelers Insurers* hold Certificates of Authority to conduct the business of insurance, or are otherwise authorized to issue insurance policies, in this State.
2. The Attorney General is the chief legal officer of the State of Florida and is authorized to bring this action for alleged violations of federal and state antitrust laws, as well as state laws concerning fraud, misrepresentation, or similar conduct. The Chief Financial Officer and the Insurance Commissioner are authorized to regulate the transaction of insurance in the State of Florida.

II. JURISDICTION

3. The Court finds that it has subject matter jurisdiction. The *Company* has consented to the personal jurisdiction of the Court for the sole purpose of responding to a Civil Investigative

Demand (“CID”) relating to the Attorney General’s investigation and subpoenas relating to the Chief Financial Officer’s and the Insurance Commissioner’s investigations of the *Travelers Insurers* that conduct the business of insurance in this State and for entry of this *Stipulated Judgment* that resolves the Plaintiffs’ investigations.

III. DEFINITIONS

4. As used in this *Stipulated Judgment*:

a) **“Base Compensation”** means: a retail or wholesale commission paid by a *Travelers Insurer* to a *Producer* in connection with the placement of a *Commercial Insurance Policy* that is a percentage of the premium that will be paid by the *Insured* on the *Commercial Insurance Policy*, whether denominated “base commission,” “base compensation,” “supplemental compensation” or given any other designation.

b) **“Commencement Date”** means: January 31, 2008.

c) **“Commercial Insurance Policy”** means: any contract, policy, agreement or binder of insurance sold to a commercial or business enterprise or a governmental entity by a *Travelers Insurer*; *provided however*, that *Commercial Insurance Policy* does not include personal insurance including without limitation, covering personal real property, personal automobile, life, disability or health; *provided further* that *Commercial Insurance Policy* shall not include any contract, policy, agreement or binder of insurance that terminates prior to thirty (30) days after the *Commencement Date*.

d) **“Compensation”** means: anything of material value received by a *Producer* directly from a *Travelers Insurer*, including, but not limited to, monetary payments, *Base Compensation*, *Contingent Compensation*, brokerage fee, service fee, incentive, rebate, money,

credit, loan, forgiveness of debt, forgiveness of principal or interest, vacation, prize, gift or the payment of employee salaries or expenses; *provided however*, that the term *Compensation* shall not include any *de minimis* fee or amount collected by or paid to the *Producer*.

e) ***Contingent Compensation*** means: *Compensation* other than *Base Compensation* paid by a *Travelers Insurer* to a *Producer* in connection with the placement of one or more *Commercial Insurance Policies* that is contingent upon the *Producer*: a) placing a particular number of policies or dollar value of premium with the *Travelers Insurers*; b) achieving a particular level of growth in the number of policies placed or dollar value of premium with the *Travelers Insurers*; c) meeting a particular rate of retention or renewal of policies in force with the *Travelers Insurers*; d) placing or keeping sufficient insurance business with the *Travelers Insurers* to achieve a particular loss ratio or any other measure of profitability; or e) obtaining anything else of material value for a *Travelers Insurer*.

f) ***“Exclusive Agent”*** means: a representative of a *Travelers Insurer* who is obliged to submit specified business to a *Travelers Insurer*.

g) ***“Hard Copy Disclosure Statement”*** means: A hard copy document containing the information described in Paragraph 4.p.

h) ***“Insured”*** means: an individual or entity who purchased a *Commercial Insurance Policy* through a *Producer* (a) where the primary address of the insured is in the United States and (b) where the *Commercial Insurance Policy* was issued in the United States.

i) ***“Investigations”*** means: the civil investigations conducted by the Plaintiffs concerning compensation and other arrangements with various *Producers* that allegedly violated

various laws and may have caused certain purchasers of insurance to pay artificially inflated prices for excess casualty insurance policies, as alleged in the Complaint.

j) **“Manner and Method”** means: when used with reference to *Base Compensation* or *Supplemental Compensation* broken out separately for new and renewal placements, for each kind of *Commercial Insurance Policy* product placed with the *Travelers Insurers* (i.e., Boiler and Machinery, Commercial Auto, Commercial Liability, Commercial Multi-Peril, Commercial Property, Fidelity, Inland Marine, Ocean Marine, Surety and Workers Compensation), the range of *Base Compensation* or *Supplemental Compensation* the *Travelers Insurers* paid in the immediately preceding calendar year respecting the kinds of *Commercial Insurance Policies* to which the *Website Disclosure* applies, including the fifth (5th) percentile commission rate paid, the ninety-fifth (95th) percentile commission paid, the average amount of *Base Compensation* or *Supplemental Compensation* paid for each such *Commercial Insurance Policy* in the immediately preceding calendar year, and the factors considered in determining the range of *Supplemental Compensation*; when used with reference to *Contingent Compensation*, broken out separately for new and renewal placements, the range of *Contingent Compensation* that was paid in the immediately preceding calendar year pursuant to the *Contingent Compensation* agreement (if any) between *Producers* and the *Travelers Insurers*, including the fifth (5th) percentile commission rate paid, the ninety-fifth (95th) percentile commission paid, the average amount of *Contingent Compensation* paid pursuant to such agreements in the immediately preceding calendar year, and the factors that may be considered in determining the range of *Contingent Compensation* under such agreements (including whether the amount of *Contingent Compensation* is calculated with reference to (i) placing a particular number of policies or dollar

value of premium with a *Travelers Insurer*, (ii) achieving a particular level of growth in the number of policies placed or dollar value of premium with a *Travelers Insurer*, (iii) meeting a particular rate of retention or renewal of policies in force with a *Travelers Insurer*, (iv) placing or keeping sufficient insurance business with a *Travelers Insurer* to achieve a particular loss ratio or any other measure of profitability, or (v) obtaining anything else of material value for a *Travelers Insurer*); and If any other *Compensation* may be paid to *Producers* in connection with the placement of the *Commercial Insurance Policy*, how such *Compensation* will be determined.

k) **“Notice of Disclosure of Compensation”** means: a statement the same or substantially the same as follows:

“To learn more about the compensation Travelers pays to your agent, broker or producer visit:
www.companyname.com or call the following toll-free telephone number:
1-xxx-xxx-xxxx.”

l) **“Producer”** means: a person or entity licensed to sell insurance, *provided* however, that the term *Producer* shall not include: (a) an insurance producer that has been appointed an *Exclusive Agent* by a *Travelers Insurer*; or (b) any person or entity licensed to sell insurance to the extent that it is acting as a managing general agent, managing underwriter, wholesaler, program administrator or other similar role for a *Travelers Insurer* that deals with other insurance producers and not directly with the *Insured* in the placement of insurance.

m) **“Settling Officials”** means: the Attorneys General of the States of Florida, Hawaii, Maryland, Michigan, Oregon, Texas, West Virginia, the Commonwealths of Massachusetts and Pennsylvania, and the District of Columbia, the Chief Financial Officer of the State of Florida, and the Office of Insurance Regulation of the State of Florida.

n) **“Supplemental Compensation”** means: a retail or wholesale commission paid by a *Travelers Insurer* to a *Producer* in connection with the placement of a *Commercial Insurance Policy* that is a percentage of the premium that will be paid by the *Insured* on the *Commercial Insurance Policy*, where the percentage is based primarily on the producer’s historic performance with the *Travelers Insurers*.

o) **“Term”** means: the period beginning on January 1, 2008 and ending on December 31, 2017. All obligations created by this *Stipulated Judgment* shall expire at the end of the *Term*. This *Stipulated Judgment* shall not be enforceable after the *Term*.

p) **“Website Disclosure”** means: as soon as reasonably practicable after the specified data becomes available, publication on www.travelers.com, as soon as the specified data is available, of the *Manner and Method of Compensation* that may be paid for each kind of *Commercial Insurance Policy* offered by the *Travelers Insurers*. Such *Website Disclosure* shall inform *Insureds* and prospective *Insureds* that the *Travelers Insurers* may pay *Compensation* to their *Producers*, provide clear instructions on how they may obtain more information, shall not be password or passcode protected, and *Travelers Insurers* shall use reasonable best efforts to make the *Website Disclosure* available at all times. The *Website Disclosure* shall, at a minimum, contain the following information with respect to each kind of *Commercial Insurance Policy* product offered by the *Travelers Insurers*:

- 1) A narrative describing the various forms of *Compensation* paid by the *Travelers Insurers* to *Producers*; and

- 2) A description of *Base Compensation* and *Supplemental Compensation* payable by the *Travelers Insurers* and the *Manner and Method* for *Base Compensation* and *Supplemental Compensation*;
- 3) A description of *Contingent Compensation* payable by the *Travelers Insurers* and the *Manner and Method* for *Contingent Compensation*; and
- 4) Any equity interest held by any *Travelers Insurer* in a *Producer* licensed in the United States, provided however that ownership of less than ten (10) percent of the equity in a public company need not be included; and
- 5) A toll-free telephone number and an email address to obtain additional information.

IV. TERMS

A. Compliance Program

5. The *Company* shall implement a compliance program meeting the requirements of this **Section IV.A**; *provided* that to the extent that the *Company* seeks within the *Term* to modify the compliance program that is set out below in any material respect, they shall provide the Plaintiffs with notice of their intention to make such modification no less than sixty (60) business days prior to implementing it.

6. Within thirty (30) business days of the *Commencement Date* of this *Stipulated Judgment*, the *Travelers Insurers* shall:

a) Confirm the existence of a Compliance Office (the “Compliance Office”) with responsibility for all compliance and regulatory control matters relating to this Stipulated Judgment and which embraces the following principles:

- i) A Chief Compliance Officer (the “*Compliance Officer*”), who has direct reporting responsibility to the General Counsel or Chief Executive Officer of the *Company*; *provided however*, that the *Compliance Officer* shall not be retained, compensated, disciplined or dismissed by any person other than the General Counsel of the *Company* with the concurrence of the Chief Executive Officer of the *Company*. The General Counsel, under the supervision of the Chief Executive Officer, shall also be responsible for approving a budget and resources for the *Compliance Office*.
- ii) A *Compliance Office* funded and staffed in sufficient amounts to provide reasonable assurances that the *Company* will comply with the obligations set forth in **Paragraphs 12-15** of this *Stipulated Judgment*.
- iii) A training program (including written or online training materials, resources and advisories) for all executive officers and employees of the *Travelers Insurers* that emphasizes the culture of compliance and a supervision and control environment designed to: (i) foster compliance with applicable laws and regulations; (ii) assist with the detection and prevention of criminal and inappropriate conduct; and (iii) otherwise meet the requirements of the United States Sentencing Guidelines for compliance programs.

- iv) A program pursuant to which the *Compliance Officer* reports findings and recommendations to the General Counsel or Chief Executive Officer of the *Company*, with further reporting of material findings or recommendations that are not timely addressed to the *Compliance Officer's* satisfaction through these individuals, to the Audit Committee of the Board of Directors of the *Company* as the *Compliance Officer* determines to be necessary.
- v) An electronic/telephonic facility for logging and archiving reports (including those provided anonymously) by *Travelers Insurers* officials and employees of complaints respecting violations of laws, regulations, fiduciary duties, and/or the *Travelers Insurers'* policies, practices and procedures by any official or employee of a *Travelers Insurer*.
- vi) Consultation by the *Compliance Officer* (as he may determine is necessary or appropriate) with experienced counsel to provide advice and assistance to the *Compliance Officer* in connection with the investigation and evaluation of violations of laws, regulations and prescribed policies, practices and procedures applicable to the *Travelers Insurers'* operations.
- vii) A disciplinary program to ensure that instances of misconduct are recorded and disposed of according to a graduated scale of sanctions, that may include reprimand, reduction or suspension of bonus, reduction in base compensation, suspension or degradation of title and/or supervisory responsibility and dismissal (with or without severance benefits).

- viii) Such special policies, practices, training and procedures as the *Compliance Officer* reasonably deems necessary and appropriate to provide effective supervision and oversight to the business conducted by the *Travelers Insurers'* excess casualty operations.
- ix) A records retention policy designed to ensure that electronic and hard copy documentation respecting quotations for *Commercial Insurance Policies* provided to prospective insureds, but not bound, are maintained in accordance with applicable state law.

7. The *Compliance Officer*, with the assistance of experienced counsel (as the *Compliance Officer* may determine is necessary or appropriate), shall, on a continuing basis, be responsible for the following:

- a) Making available a copy or summary of this Judgment within forty-five (45) business days of execution to each of the *Travelers Insurers'* officers and directors, and to each of the *Travelers Insurers'* employees (and their supervisors) who has authority to underwrite, quote, bid, write or contract *Commercial Insurance Policies*; provided that the *Compliance Officer* need not make available a copy of this *Stipulated Judgment* to employees whose functions are purely clerical or manual and do not include quoting, writing or selling *Commercial Insurance Policies*; and
- b) Arranging for an annual training for each of the *Travelers Insurers'* employees (and their supervisors) who has authority to underwrite, quote, bid, write or contract *Commercial Insurance Policies* on the requirements of **Paragraphs 12-15** of this *Stipulated Judgment*.
- c) Maintaining a file of all documents related to any alleged violation that is brought

to the *Compliance Officer's* attention of this *Stipulated Judgment* and laws covered by this *Stipulated Judgment*, and a record of all communications related to any such violation, which shall identify the date and place of the communication, the person(s) involved, the subject matter of the communication, and the results of any related investigation.

8. The Compliance Program shall address at least the following topics:

- a) federal antitrust laws;
- b) state antitrust laws;
- c) state unfair insurance practice laws;
- d) state insurance laws and regulations; and
- e) the obligation of the *Travelers Insurers'* employees not to engage in conduct that

is fraudulent or deceptive, or to aid others who are engaging or attempting to engage in fraudulent or deceptive conduct.

9. If the *Travelers Insurers* believe the duties of specific employees are significantly specialized, they may offer specialized compliance programs for those employees.

10. The Plaintiffs may, at their own expense and upon reasonable notice, attend and witness the presentation of any compliance presentations required by this *Stipulated Judgment*.

11. The Plaintiffs may retain, at their own expense and upon reasonable notice, an expert in the insurance industry to assist them in reviewing any aspect of the legal compliance program that the *Travelers Insurers* adopt pursuant to the terms of this *Stipulated Judgment*.

B. Collusion and Market Manipulation Prohibited

12. The *Travelers Insurers* shall not directly or indirectly knowingly provide or offer any *Producer* placing, renewing, consulting on or servicing any *Commercial Insurance Policy* a

false, fictitious, inflated, artificial, “B,” alternative, back-up or throw away bid, quote or indication, or any other quote or indication that is not based upon bona fide business, actuarial or underwriting considerations when the quote or indication is given.

13. The *Travelers Insurers* shall not enter into, engage in or solicit or otherwise seek to enter any agreement, not permitted by applicable law, with any *Producer*, or with any insurance company, reinsurance company, insurance exchange, or any person employed by, or an agent of, any such entity to allocate customers or markets, to rig bids or quotes, or to submit bids or quotes that would violate **Paragraph 12**.

14. The *Travelers Insurers* shall not directly or indirectly pay or accept a request to pay any *Compensation* to a *Producer* as a quid pro quo not permitted by applicable law for the *Producer’s* inclusion of any *Travelers Insurer* on a list of insurance companies from which the *Producer* will solicit bids or quotes for clients, nor enter into any other type of illegal “pay-to-play” arrangement.

15. The *Travelers Insurers* shall not knowingly enter into any agreement (not permitted by applicable law), to fix or stabilize prices, rig bids or allocate customers, that violates the federal antitrust laws, state antitrust laws, unfair insurance practices laws or any other insurance laws or regulations.

C. Disclosure of Compensation

16. The *Travelers Insurers* shall:

- a) As of the *Commencement Date*:
 - i) provide, clearly and conspicuously in writing, the *Notice of Disclosure of*

Compensation as defined in **Paragraph 4.k**, to accompany new and renewal policies. Languages other than English may be used for the *Notice of Disclosure of Compensation* where appropriate,

- ii) provide *Website Disclosure*,
- iii) maintain a toll-free telephone number by which an *Insured* or prospective *Insured* may obtain the information set forth in **Paragraph 4.p**, and
- iv) make available to *Producers* with whom it has agency contracts the *Hard Copy Disclosure Statement*.

b) As soon as reasonably practicable, but in no event longer than eighteen months after the *Commencement Date*, provide clearly and conspicuously in writing the *Notice of Disclosure of Compensation* as defined in **Paragraph 4.k** on or with a *Travelers Insurer's* proprietary form when applications are received or proposals to bind insurance are made for *Commercial Insurance Policies* on that *Travelers Insurer's* proprietary form. Languages other than English may be used for the *Notice of Disclosure of Compensation* where appropriate.

V. PAYMENT

17. As soon as practicable, but in no event longer than thirty (30) days after entry of this *Stipulated Judgment* and similar judgments in each of the jurisdictions of the *Settling Officials*, the *Company* shall pay or cause to be paid by wire transfer, certified check or other guaranteed funds, the amount of Six Million Dollars (\$6,000,000) to the *Settling Officials*, to be allocated amongst the states as they see fit, for any or all of the following: (i) reimbursement of the *Settling Officials' attorneys' fees* and costs relating to the *Investigations* and negotiation of this

Settlement Judgment; (ii) compensation for claims relating to state and municipal entity holders of property and casualty insurance policies or (iii) other purposes permitted by this State's law, at the sole discretion of the Attorney General. This payment is not intended to constitute, nor shall it be construed to constitute, a penalty or fine. The total amount of Six Million Dollars (\$6,000,000) shall be paid in full and final settlement of the *Settling Officials'* claims arising from the acts, practices or courses of conduct that are the subject of the *Investigations*.

VI. COOPERATION AND ENFORCEMENT

18. The *Company* and the *Travelers Insurers* have cooperated and continue to cooperate with the Plaintiffs, have reviewed their practices relevant to the conduct and issues alleged above, and have adopted and will continue to monitor compliance efforts to address the Plaintiffs' concerns related to the sale of commercial insurance policies. In addition, in 2006 the *Company* paid \$37 million into a fund for *Travelers Insurers'* policyholders who purchased or renewed excess casualty policies through *Marsh* during the period from January 1, 2001 through September 30, 2004.

19. The *Company* and the *Travelers Insurers* shall continue to fully and promptly cooperate with the Plaintiffs with regard to any regulatory investigation or related proceeding or action regarding any person, corporation or entity, including but not limited to, former employees of a *Travelers Insurer* related to the conduct described in **Paragraphs 12-15** of this *Stipulated Judgment*; provided that each Plaintiff who receives documents or information pursuant to this paragraph shall, consistent with state law, (i) keep the documents or information confidential and (ii) return any documents or information received from the *Travelers Insurers* by no later than

ten (10) days following the date on which any regulatory investigation or related proceeding or action is concluded, or as otherwise provided by Florida law. Cooperation shall include, without limitation:

a) The voluntary production (without service of subpoena) of (i) any and all non-privileged information and documents or other tangible evidence reasonably available and requested by the Plaintiffs in connection with an investigation based upon the acts, practices or courses of conduct that are the subject of this *Stipulated Judgment*; and (ii) any compilation or summaries of information or data that the Plaintiffs reasonably request be prepared;

b) The use of reasonable best efforts on the part of the *Company* to ensure that current and former officers, directors and employees of a *Travelers Insurer* fully and promptly cooperate with the Plaintiffs in connection with any investigation based upon the acts, practices or courses of conduct that are the subject of this *Stipulated Judgment* or related proceeding, including attendance (without service of a subpoena) at any proceeding as requested by a Plaintiff.

c) The *Company* shall not object to the production of non-privileged documents or witnesses on the ground that the documents or witnesses requested relate to matters outside of this State.

d) With respect to any document withheld or redacted on the grounds of privilege, work product or other legal doctrine, submission of a written log by the *Company* indicating: (i) the type of document; (ii) the date of the document; (iii) the author and each recipient of the document; (iv) the general subject matter of the document; (v) the reason for withholding the document; and (vi) the Bates number or range of the withheld document.

e) The *Travelers Insurers* shall not assert the actual or potential applicability of the McCarran-Ferguson Act to the conduct covered by the documents or witnesses requested pursuant to this paragraph as a basis for withholding information in response to such a request.

f) To determine or secure compliance with this *Stipulated Judgment*, and without limiting otherwise applicable law, the Plaintiffs shall be permitted, upon reasonable notice and during normal business hours:

- i) Access to all non-privileged books, ledgers, accounts, correspondence, memoranda, other records and documents in the possession or under the control of a *Travelers Insurer*, as applicable, relating to any matters contained in this *Stipulated Judgment*; and,
- ii) To interview officers, managers or employees of the *Travelers Insurers*, as applicable, regarding any matters contained in this *Stipulated Judgment*.

20. During the *Term*, if the Plaintiffs believe that there has been a violation of this *Stipulated Judgment*, the *Company* shall be promptly notified in writing thereof. The Plaintiffs shall thereafter permit the *Company* and the *Travelers Insurers* a reasonable opportunity to cure any alleged violation without instituting legal action. If the alleged violation is not substantially cured by the *Company* and the *Travelers Insurers* within sixty (60) days of the notification, the Plaintiffs may thereafter seek to undertake any remedial action deemed appropriate. This time period may be extended in circumstances where the sixty-day (60-day) period does not allow sufficient time to cure the alleged violation.

VII. Resolution of Claims and Investigations

21. Upon execution of this *Stipulated Judgment*, the Plaintiffs shall terminate each and every existing investigation, inquiry, claim and/or proceeding (whether formal or informal) as the *Company* and any *Travelers Insurer*, as to any of the *Company's* or a *Travelers Insurer's* respective parents, predecessors, successors, affiliates, divisions, business units and subsidiaries, and as to any current or former director, officer or employee of any of the foregoing (collectively, the "*Travelers Releasees*") relating to the acts, practices or courses of conduct that are the subject of the *Investigations*, provided however, any entity that may, following the entry of this *Stipulated Judgment*, become a successor, parent or acquirer of the *Company* or a *Travelers Insurer*, shall be a *Travelers Releasee*, but shall only be released for conduct of the *Company* or a *Travelers Insurer* that is the subject of the *Investigations*.

22. Nothing in this *Stipulated Judgment* shall be admissible or serve as the basis of any disqualification for any license, privilege, grant or authority or eligibility to hold any position in any *State Proceeding* as to any *Travelers Releasee* in connection with any *State Proceeding*. For purposes of this paragraph, the term *State Proceeding* shall mean any proceeding (whether formal or informal, administrative or judicial) brought by or on behalf of or before any state entity, including without limitation, a proceeding in which any license or permit issued to a *Travelers Releasee* or the ability of a *Travelers Releasee* to do business is either challenged or being considered for any reason by such state entity; *provided however*, that nothing in this paragraph shall prohibit a state entity from enforcing any provision of this *Stipulated Judgment*.

23. The Plaintiffs shall not initiate any new, or reinstate any terminated, investigation, inquiry, claim and/or proceeding (whether formal or informal) as to any *Travelers Releasee* where the investigation, inquiry, claim and/or proceeding is based upon the acts, practices or courses of conduct that are the subject of the *Investigations*.

24. Nothing in the paragraphs above shall be deemed to release any individual or entity other than those individuals and entities that are within the definition of *Travelers Releasees*.

25. Nothing in the paragraphs above shall be deemed to preclude the Plaintiffs' review of acts, practices or courses of conduct that occur after the execution date of this *Stipulated Judgment*.

26. This *Stipulated Judgment* is not intended to give any legal rights or remedies of any nature to any third party.

VIII. OTHER PROVISIONS

27. The terms of this *Stipulated Judgment* are binding on the *Travelers Insurers*, their directors, officers, managers, employees, successors and assigns, including, but not limited to, any person or entity to whom the *Travelers Insurers* or any of them may be sold, leased or otherwise transferred, during the *Term*, *provided however*, if any *Travelers Insurer* ceases to be affiliated or under common ownership with the *Company* and has not issued a new Travelers insurance policy for a period of one-year (other than any policies that may be required to be issued by law, rule or regulation) it shall immediately be released from any and all obligations under this *Stipulated Judgment*.

28. This *Stipulated Judgment* shall have no effect and all obligations created hereunder shall not begin until after a judgment substantially similar to this one is entered in each of the jurisdictions of the *Settling Officials*. This *Stipulated Judgment*, once effective, shall expire on the last day of the *Term*.

29. All notices required by this *Stipulated Judgment* shall be sent by certified or registered mail, return receipt requested, postage prepaid or by hand delivery to:

If to the Attorney General:

Patricia Connors
Associate Deputy Attorney General
Office of the Attorney General
PL-01, The Capitol
Tallahassee, Florida 32399-1050

If to the Department of Financial Services:

Dennis Silverman
Chief Counsel
Department of financial Services
200 East Gaines Street
Suite 612
Tallahassee, Florida 32399-0333

If to the Office of Insurance Regulation:

Steven H. Parton
General Counsel
Florida Office of Insurance Regulation
200 East Gaines Street
Suite 612K
Tallahassee, Florida 32399-4206

If to the *Company* or the *Travelers Insurers*

General Counsel
The Travelers Companies, Inc.
385 Washington St.
St. Paul, MN 55102

30. This *Stipulated Judgment* shall be governed by and interpreted according to the laws of Florida, excluding its conflict of laws provisions.

31. Nothing in this *Stipulated Judgment* or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy sold, assumed or acquired by a *Travelers Insurer*.

32. The *Company* consents to this *Stipulated Judgment* without admitting any issue, allegation and/or claims based upon the acts, practices or courses of conduct that are the subject of the *Investigations*. This *Stipulated Judgment* is entered into for the sole purposes of resolving any issues, allegations and claims that are based on the acts, practices or conduct that are the subject of the *Investigations* and is not intended to be used for any other purpose.

33. Nothing in this *Stipulated Judgment* releases a *Producer* from its obligations to make disclosures required by law or contract to *Insureds*.

34. If the Plaintiffs or the *Company* believe that modification of this *Stipulated Judgment* would be in the public interest, that party shall give notice to the other and the parties shall attempt to agree on a modification.

Any violations of this *Stipulated Judgment* may be subject to civil penalties and/or sanctions as are provided by law. This Court retains jurisdiction of this action for the purpose of

carrying out or modifying the terms of this *Stipulated Judgment*, or granting such other relief as the Court deems just and proper. Defendant has waived all rights of appeal.

AND SO ADJUDICATED

DATED this ____ day of _____, 200__.

Judge, Circuit Court

Copies To:

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