



NEWS RELEASE

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Lexington National Insurance Corporation Fined \$332,000 by Colorado Division of Insurance for Market Conduct Violations

Following a Market Conduct examination by the Division of Insurance, Lexington National Insurance Corporation has been assessed a civil fine of \$332,000 for violations of insurance law related to Colorado bail bond business.

"Bail bond agents and their insurers must abide by Colorado law when they conduct business with consumers, and this includes properly documenting business transactions," said Interim Insurance Commissioner John Postolowski.

Lexington National Insurance Corporation is licensed to provide a range of surety bonds in Colorado, but the recent market conduct examination focused solely on its bail bond business. Based upon figures reported to the Colorado Division of Insurance, Lexington National had more than \$2,400,000 in total taxable bail premium during 2008.

Some issues addressed in the examination report include:

- Failure to require bail bond agents to complete required documentation.
- Failure to include all required information on documentation related to the issuance of bail bonds.
- Failure to properly document deviations from filed rates.
- Failure to require that a timely list of collateral be provided by the agents to Lexington National.
- Failure in some cases to properly contract with producers.

Other issues are listed in the Final Agency Order, which can be found on the Division's website at:

<http://www.dora.state.co.us/insurance/mcexam/MarketRegChron.htm>

Lexington National has disputed the findings of the market conduct examination report and Final Agency Order (FAO) in Denver District Court and has disputed the civil penalty in the Colorado Court of Appeals.

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.