

# EXHIBIT A

marketplace. Vullo and DFS made clear that Lloyd's could avoid liability for infractions relating to other, similarly situated insurance policies, so long as it aided DFS's campaign against gun groups. Against the specter of this bold abuse of her position, Lloyd's agreed that it would instruct its syndicates to cease underwriting firearm-related policies and would scale back its NRA-related business; in exchange, DFS would focus its forthcoming affinity-insurance enforcement action solely on those syndicates which served the NRA, and ignore other syndicates writing similar policies. The first step of this choreographed process was a letter from DFS to Gunset, an LAI executive, sent on April 11, 2018.<sup>43</sup>

70. On May 1, 2018, Lloyd's held a meeting of its Board of Directors. Among the topics discussed at the meeting were [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>43</sup> Ex. F and Sealed Exhibit B.

<sup>44</sup> Ex. G and Sealed Exhibit C.

<sup>45</sup> *Id.*

[REDACTED]

[REDACTED].<sup>46</sup>

71. On May 9, 2018, Lloyd’s sent a notice to its managing agents who are responsible for all insurance policies written through the Lloyd’s marketplace (the “May 9 Notice”).<sup>47</sup> The May 9 Notice [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]<sup>48</sup>

72. Also on May 9, 2018, Lloyd’s publicly announced that it had directed its underwriters to terminate all insurance related to the NRA and not to provide any insurance to the NRA in the future, in the wake of DFS’s investigations into the NRA and its business partners.<sup>49</sup>

73. By June 30, 2018, the Lloyd’s managing agents and syndicates had provided materials to DFS that DFS requested in the April 11, 2018 letter.

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<sup>46</sup> *Id.*

<sup>47</sup> Ex. H and Sealed Exhibit D.

<sup>48</sup> *Id.*

<sup>49</sup> *See, e.g., Lloyd’s Underwriters Told to Stop Insurance Linked to NRA*, THE NEW YORK TIMES (May 9, 2018), <https://www.nytimes.com/reuters/2018/05/09/business/09reuters-lloyds-of-london-nra.html>.

74. On December 20, 2018, ten Lloyd’s underwriters, acting through their managing agents, entered into a Consent Order Under Sections 1102 and 3420 of the Insurance Law (the “Lloyd’s Consent Order”) with DFS—signed by Vullo—which imposes a civil monetary penalty of \$5 million.<sup>50</sup> Similar to the Lockton and Chubb Consent Orders, in the Lloyd’s Consent Order, DFS overextends its authority and purports to restrict Lloyd’s participation in *any* affinity-type insurance program with the NRA, irrespective of whether such programs comply with the Insurance Law.<sup>51</sup>

75. Pursuant to the conversations between Vullo and DFS with senior officials at Lloyd’s and LAI described above, Lloyd’s was not subjected to any enforcement action and/or penalties for any violation of the New York Insurance Law related to affinity-insurance programs, other than in connection with the NRA-related insurance programs.

76. Importantly, Lloyd’s was not the only entity with direct exposure to DFS’s selective enforcement scheme. DFS also became specifically cognizant of non-NRA policies that exhibited the same purported defects as NRA policies—and chose to ignore those violations, targeting solely the NRA—in the context of its Lockton investigation. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>50</sup> The Lloyd’s Consent Order is attached hereto as Exhibit I.

<sup>51</sup> See Ex. I at ¶ 20.

[REDACTED]

[REDACTED]

[REDACTED] DFS verbally conveyed to

Lockton that it was only interested in pursuing the NRA. Other programs exhibiting the same

issues, DFS explained, could be quietly remediated by Lockton after consent order and penalty

targeting NRA programs had been publicized.

77. Consistent with this agreement, on July 2, 2018, Lockton provided a report to DFS regarding the status of its remediation efforts for non-NRA programs. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

78. [REDACTED]

[REDACTED] In

response, DFS took no action whatsoever against any of Lockton's non-NRA clients. On January

31, 2019, almost three months after this Court had sustained the NRA's selective-enforcement

claims and permitted discovery regarding them, DFS entered into a Supplemental Consent Order

with Lockton that purported to admonish violations of the same statutes by Lockton's non-NRA