

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

In Re:)
)
STARR INDEMNITY & LIABILITY) **Market Conduct Examination**
COMPANY (NAIC #38318)) **No. 1303-10-TGT**

ORDER OF THE DIRECTOR

NOW, on this 21st day of June, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), and Starr Indemnity & Liability Company (NAIC #38318) (hereinafter "Starr"), relating to the market conduct examination set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.205.2(5), §374.280, and §374.046.15 RSMo 2016, is in the public interest.

IT IS THEREFORE ORDERED that Starr and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Starr shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS FURTHER ORDERED that Starr shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$75,000.00 payable to the Missouri State School Fund in connection with examination no. 1303-10-TGT.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 21st day of June, 2019.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

<i>In Re:</i>)	
)	
STARR INDEMNITY & LIABILITY COMPANY (NAIC #38318))	Market Conduct Examination No. 1303-10-TGT

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Starr Indemnity & Liability Company (NAIC #38318) (hereinafter “Starr”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter, the “Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri; and

WHEREAS, Starr has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, based on the above-captioned Market Conduct Examination of Starr, the Division alleges that:

1. Starr utilized the services of Health Plan Intermediaries, LLC d/b/a Health Insurance Innovations, LLC (“HII”) prior to HII’s obtaining a valid certificate of authority from the Director to act as a managing general agent in violation of §375.014¹, §374.046 and §375.145. Starr asserts that subsequently, HII obtained a valid certificate of authority from the Director to act as a managing general agent.
2. Starr failed to maintain a complete register of producers it allowed to sell, solicit or

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.

negotiate its insurance products in Missouri in violation of §375.022.1.

3. Starr failed to appropriately monitor an association utilized to provide coverage to Missouri insureds for continued compliance with the requirements of §376.405, §376.421.1(5) and 20 CSR 400-2.130(2) (A).

4. In several instances, Starr did not provide complete underwriting files as requested by examiners in violation of §374.205.2 (2) and 20 CSR 100-8.040 (3) (A). Starr asserts that it was unable to provide such files due to the retention practices of HII.

5. Starr issued insurance certificates pursuant to a short-term medical group policy, and some of these certificates had terms greater than six months in duration without including or, in some cases, offering to include Missouri mandated benefits in violation of §376.429, §376.779, §376.811, §376.1199, §376.1215, §376.1218, §376.1224, §376.1225, §376.1230, §376.1232, §367.1250, §376.1253, and §376.1275.

WHEREAS, Starr asserts it has voluntarily terminated its relationship with HII and ceased selling short-term medical policies and certificates effective February 13, 2014.

WHEREAS, the Division and Starr, without confirming or denying the above allegations, have agreed to resolve all issues raised in the above-captioned Market Conduct Examination as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter, "Stipulation") embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. Remedial Action. Starr agrees to take the remedial actions set forth below regarding the acts and/or omissions discussed herein and to bring its related business practices into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Starr agrees to maintain proper documentation in its underwriting files in compliance with §374.205.2(2) and 20 CSR 100-8.040(3) (A).

2. Starr agrees it will only issue group accident and health insurance coverage in Missouri or to Missouri residents in accordance with the provisions of §376.405, §376.421 and 20 CSR 400-2.130.

3. Starr has represented that it has established and implemented an internal due diligence process and protocol for determining whether associations to which it issues group accident and health insurance policies offering insurance coverage to Missouri residents meet the requirements of §376.421.1(5). Starr agrees that this due diligence process will include ongoing monitoring to ensure that the associations continue to meet the requirements of §376.421.1(5) at all times while their group policies are in effect. Starr agrees to document, if it has not already done so, this new procedure and provide a copy to the Division. Starr further agrees not to issue a group accident and health insurance policy to an association offering insurance coverage to Missouri residents unless: (1) the association meets all the requirements of §376.421.1(5); or (2) if the association does not meet the requirements of §376.421.1(5), Starr has sought and received approval from the Director to issue the policy as a discretionary group policy pursuant to §376.421.2 and 20 CSR 400-2.130.

4. Starr represents it has ceased providing short-term medical insurance coverage through association and discretionary groups to Missouri residents. Starr agrees to withdraw all Missouri filings associated with its short-term medical coverage product STM-1000001.

In the event that Starr elects to resume underwriting, offering or selling short-term medical insurance coverage in Missouri or to Missouri residents, Starr agrees to comply with all applicable Missouri laws, including but not limited to laws regarding the filing and approval of policy and certificate forms and rates and the provision of mandated benefits and offers if such coverage period is greater than six months.

C. **Compliance.** Starr agrees to file with the Division within 120 days of the entry of the order set forth in Paragraph M., the following:

- a. Starr's records retention policy and schedule.
- b. Starr's procedures documenting the due diligence process followed when health insurance policies are issued, or proposed to be issued, to associations.
- c. The SERFF filing number for the withdrawal of filings associated with STM-1000001.

D. **Examination Fees.** Starr agrees to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and C of this Stipulation.

E. **Voluntary Forfeiture.** Starr agrees, voluntarily and knowingly, to surrender and forfeit the sum of seventy-five thousand dollars (\$75,000.00), payable to the Missouri State School Fund, in accordance with §374.280.

F. **Penalties or Other Payments.** Except for the reimbursement of fees and voluntary forfeiture agreed to in this stipulation, the Division agrees that it will not seek any penalties against Starr or the payment of any other amounts by Starr in connection with Market Conduct Examination 1303-10-TGT.

G. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by

Starr. This Stipulation is a compromised settlement to resolve disputed factual and legal allegations arising out of the above-referenced Market Conduct Examination.

H. **Waivers.** Starr, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the Market Conduct Examination 1303-10-TGT.

I. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Starr.

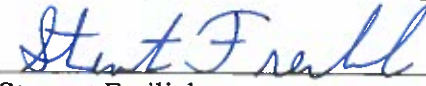
J. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

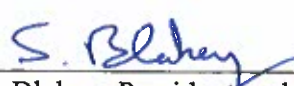
K. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Starr respectively.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 6/20/2019 
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 6/20/2019 
Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel

DATED: 6/11/2019 
Steve Blakey, President and CEO
Starr Indemnity & Liability Company