

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

In Re:)	
)	
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA (NAIC #19046)	)	Market Conduct Examination No. 1607-29-TGT
)	
NORTHLAND INSURANCE COMPANY (NAIC #24015)	)	Market Conduct Examination No. 1607-28-TGT
)	
CHARTER OAK FIRE INSURANCE COMPANY (NAIC #25615)	)	Market Conduct Examination No. 1607-30-TGT
)	
PHOENIX INSURANCE COMPANY (NAIC #25623)	)	Market Conduct Examination No. 1607-31-TGT
)	
TRAVELERS INDEMNITY COMPANY (NAIC #25658)	)	Market Conduct Examination No. 1607-32-TGT
)	
TRAVELERS INDEMNITY COMPANY OF AMERICA (NAIC #25666)	)	Market Conduct Examination No. 1607-33-TGT
)	
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA (NAIC #25674)	)	Market Conduct Examination No. 1607-34-TGT
)	
TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (NAIC #25682)	)	Market Conduct Examination No. 1607-35-TGT
)	
NORTHFIELD INSURANCE COMPANY (NAIC #27987)	)	Market Conduct Examination No. 1607-36-TGT
)	
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY (NAIC #10819))	)	Market Conduct Investigation No. 282376
)	
AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT (NAIC #19062)	)	Market Conduct Investigation No. 282377
)	
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY (NAIC #36463))	)	Market Conduct Investigation No. 282378
)	
FARMINGTON CASUALTY COMPANY)	)	Market Conduct Investigation

(NAIC #41483)	)	No. 282380
)	
FIDELITY AND GUARANTY	)	Market Conduct Investigation
INSURANCE COMPANY (NAIC #35386)	)	No. 282381
)	
FIDELITY AND GUARANTY	)	Market Conduct Investigation
INSURANCE UNDERWRITERS, INC.	)	No. 282382
(NAIC #25879))	
)	
GULF UNDERWRITERS INSURANCE	)	Market Conduct Investigation
COMPANY (NAIC #42811)	)	No. 282383
)	
ST. PAUL FIRE AND MARINE	)	Market Conduct Investigation
INSURANCE COMPANY (NAIC #24767)	)	No. 282384
)	
ST. PAUL GUARDIAN INSURANCE	)	Market Conduct Investigation
COMPANY (NAIC #24775)	)	No. 282385
)	
ST. PAUL MERCURY INSURANCE	)	Market Conduct Investigation
COMPANY (NAIC #24791)	)	No. 282386
)	
ST. PAUL PROTECTIVE INSURANCE	)	Market Conduct Investigation
COMPANY (NAIC #19224)	)	No. 282387
)	
STANDARD FIRE INSURANCE	)	Market Conduct Investigation
COMPANY (NAIC #19070)	)	No. 282388
)	
TRAVCO INSURANCE COMPANY	)	Market Conduct Investigation
(NAIC #28188)	)	No. 282390
)	
TRAVELERS CASUALTY AND	)	Market Conduct Investigation
SURETY COMPANY (NAIC #19038)	)	No. 282391
)	
TRAVELERS CASUALTY AND	)	Market Conduct Investigation
SURETY COMPANY OF AMERICA	)	No. 282392
(NAIC #31194))	
)	
TRAVELERS CASUALTY COMPANY	)	Market Conduct Investigation
(NAIC #41769)	)	No. 282393
)	
TRAVELERS CASUALTY COMPANY	)	Market Conduct Investigation
OF CONNECTICUT (NAIC #36170)	)	No. 282394
)	
TRAVELERS COMMERCIAL	)	Market Conduct Investigation
CASUALTY COMPANY (NAIC #40282)	)	No. 282395
)	

TRAVELERS COMMERCIAL) INSURANCE COMPANY (NAIC #36137))	Market Conduct Investigation No. 282396
)	
TRAVELERS CONSTITUTION) STATE INSURANCE COMPANY) (NAIC #41750))	Market Conduct Investigation No. 282397
)	
TRAVELERS HOME AND MARINE) INSURANCE COMPANY (NAIC #27998))	Market Conduct Investigation No. 282399
)	
TRAVELERS PERSONAL INSURANCE) COMPANY (NAIC #38130))	Market Conduct Investigation No. 282400
)	
TRAVELERS PERSONAL SECURITY) INSURANCE COMPANY (NAIC #36145))	Market Conduct Investigation No. 282402
)	
TRAVELERS PROPERTY CASUALTY) INSURANCE COMPANY (NAIC #36161))	Market Conduct Investigation No. 282404
)	
UNITED STATES FIDELITY AND) GUARANTY COMPANY (NAIC #25887))	Market Conduct Investigation No. 282405

ORDER OF THE DIRECTOR

NOW, on this 28th day of DECEMBER, 2016, Director John M. Huff, 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 Travelers Casualty Insurance Company of America (NAIC #19046) (hereinafter "Travelers Casualty"), Northland Insurance Company (NAIC #24015) (hereinafter "Northland"), Charter Oak Fire Insurance Company (NAIC #25615) (hereinafter "Charter Oak"), Phoenix Insurance Company (NAIC #25623) (hereinafter "Phoenix"), Travelers Indemnity Company (NAIC #25658) (hereinafter "Travelers Indemnity"), Travelers Indemnity Company of America (NAIC #25666) (hereinafter "Travelers Indemnity America"), Travelers Property Casualty Company of America (NAIC #25674) (hereinafter "Travelers Property"), Travelers Indemnity Company of Connecticut (NAIC #25682) (hereinafter "Travelers Indemnity Connecticut") Northfield

Insurance Company (NAIC #27987) (hereinafter "Northfield"), American Equity Specialty Insurance Company (NAIC #10819) (hereinafter "American Equity"), Automobile Insurance Company of Hartford, Connecticut (NAIC #19062) (hereinafter "Automobile"), Discover Property & Casualty Insurance Company (NAIC #36463) (hereinafter "Discover"), Farmington Casualty Company (NAIC #41483) (hereinafter "Farmington"), Fidelity and Guaranty Insurance Company (NAIC #35386) (hereinafter "Fidelity Guaranty"), Fidelity and Guaranty Insurance Underwriters, Inc. (NAIC #25879) (hereinafter "Fidelity Underwriters"), Gulf Underwriters Insurance Company (NAIC #42811) (hereinafter "Gulf"), St. Paul Fire and Marine Insurance Company (NAIC #24767) (hereinafter "St. Paul Fire"), St. Paul Guardian Insurance Company (NAIC #24775) (hereinafter "St. Paul Guardian"), St. Paul Mercury Insurance Company (NAIC #24791) (hereinafter "St. Paul Mercury"), St. Paul Protective Insurance Company (NAIC #19224) (hereinafter "St. Paul Protective"), Standard Fire Insurance Company (NAIC #19070) (hereinafter "Standard"), TravCo Insurance Company (NAIC #28188) (hereinafter "TravCo"), Travelers Casualty and Surety Company (NAIC #19038) (hereinafter "Travelers Surety"), Travelers Casualty and Surety Company of America (NAIC #31194) (hereinafter "Travelers America"), Travelers Casualty Company (NAIC #41769) (hereinafter "Travelers Casualty Company"), Travelers Casualty Company of Connecticut (NAIC #36170) (hereinafter "Travelers Casualty Connecticut), Travelers Commercial Casualty Company (NAIC #40282) (hereinafter "Travelers Commercial Casualty"), Travelers Commercial Insurance Company (NAIC #36137) (hereinafter "Travelers Commercial Insurance"), Travelers Constitution State Insurance Company (NAIC #41750) (hereinafter "Travelers Constitution"), Travelers Home and Marine Insurance Company (NAIC #27998) (hereinafter "Travelers Home"), Travelers Personal Insurance Company (NAIC #38130) (hereinafter "Travelers Personal"), Travelers Personal

Security Insurance Company (NAIC #36145) (hereinafter "Travelers Personal Security"), Travelers Property Casualty Insurance Company (NAIC #36161) (hereinafter "Travelers Property Casualty"), and United States Fidelity and Guaranty Company (NAIC #25887) (hereinafter "United States") (collectively referred to as "Travelers Companies"), relating to the market conduct examinations and investigations set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.205.2(5) RSMo 2000, §374.280 RSMo (Cum. Supp. 2013) and §374.046.15. RSMo (Cum. Supp. 2013), is in the public interest.

IT IS THEREFORE ORDERED that the Travelers Companies and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that the Travelers Companies shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place each company in full compliance with the requirements in the Stipulation and to maintain those remedial actions at all times.

IT IS FURTHER ORDERED that the Travelers Companies shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$16,000 payable to the Missouri State School Fund.

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 28th day of DECEMBER, 2016.





John M. Huff
Director

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

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TRAVELERS CASUALTY AND) SURETY COMPANY (NAIC #19038))	Market Conduct Investigation) No. 282391)
TRAVELERS CASUALTY AND) SURETY COMPANY OF AMERICA) (NAIC #31194))	Market Conduct Investigation) No. 282392)
TRAVELERS CASUALTY COMPANY) (NAIC #41769))	Market Conduct Investigation) No. 282393)
TRAVELERS CASUALTY COMPANY) OF CONNECTICUT (NAIC #36170))	Market Conduct Investigation) No. 282394)

TRAVELERS COMMERCIAL) CASUALTY COMPANY (NAIC #40282))	Market Conduct Investigation No. 282395
TRAVELERS COMMERCIAL) INSURANCE COMPANY (NAIC #36137))	Market Conduct Investigation No. 282396
TRAVELERS CONSTITUTION) STATE INSURANCE COMPANY) (NAIC #41750))	Market Conduct Investigation No. 282397
TRAVELERS HOME AND MARINE) INSURANCE COMPANY (NAIC #27998))	Market Conduct Investigation No. 282399
TRAVELERS PERSONAL INSURANCE) COMPANY (NAIC #38130))	Market Conduct Investigation No. 282400
TRAVELERS PERSONAL SECURITY) INSURANCE COMPANY (NAIC #36145))	Market Conduct Investigation No. 282402
TRAVELERS PROPERTY CASUALTY) INSURANCE COMPANY (NAIC #36161))	Market Conduct Investigation No. 282404
UNITED STATES FIDELITY AND) GUARANTY COMPANY (NAIC #25887))	Market Conduct Investigation No. 282405

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), Travelers Casualty Insurance Company of America (NAIC #19046) (hereinafter "Travelers Casualty"), Northland Insurance Company (NAIC #24015) (hereinafter "Northland"), Charter Oak Fire Insurance Company (NAIC #25615) (hereinafter "Charter Oak"), Phoenix Insurance Company (NAIC #25623) (hereinafter "Phoenix"), Travelers Indemnity Company (NAIC #25658) (hereinafter "Travelers Indemnity"), Travelers Indemnity Company of America (NAIC #25666) (hereinafter "Travelers Indemnity America"), Travelers Property Casualty Company of America (NAIC #25674) (hereinafter "Travelers Property"), Travelers Indemnity Company of Connecticut (NAIC #25682) (hereinafter "Travelers Indemnity Connecticut") Northfield Insurance Company (NAIC #27987) (hereinafter "Northfield"), American Equity Specialty Insurance Company (NAIC #10819) (hereinafter "American Equity"), Automobile Insurance Company of Hartford,

Connecticut (NAIC #19062) (hereinafter "Automobile"), Discover Property & Casualty Insurance Company (NAIC #36463) (hereinafter "Discover"), Farmington Casualty Company (NAIC #41483) (hereinafter "Farmington"), Fidelity and Guaranty Insurance Company (NAIC #35386) (hereinafter "Fidelity Guaranty"), Fidelity and Guaranty Insurance Underwriters, Inc. (NAIC #25879) (hereinafter "Fidelity Underwriters"), Gulf Underwriters Insurance Company (NAIC #42811) (hereinafter "Gulf"), St. Paul Fire and Marine Insurance Company (NAIC #24767) (hereinafter "St. Paul Fire"), St. Paul Guardian Insurance Company (NAIC #24775) (hereinafter "St. Paul Guardian"), St. Paul Mercury Insurance Company (NAIC #24791) (hereinafter "St. Paul Mercury"), St. Paul Protective Insurance Company (NAIC #19224) (hereinafter "St. Paul Protective"), Standard Fire Insurance Company (NAIC #19070) (hereinafter "Standard"), TravCo Insurance Company (NAIC #28188) (hereinafter "TravCo"), Travelers Casualty and Surety Company (NAIC #19038) (hereinafter "Travelers Surety"), Travelers Casualty and Surety Company of America (NAIC #31194) (hereinafter "Travelers America"), Travelers Casualty Company (NAIC #41769) (hereinafter "Travelers Casualty Company"), Travelers Casualty Company of Connecticut (NAIC #36170) (hereinafter "Travelers Casualty Connecticut), Travelers Commercial Casualty Company (NAIC #40282) (hereinafter "Travelers Commercial Casualty"), Travelers Commercial Insurance Company (NAIC #36137) (hereinafter "Travelers Commercial Insurance"), Travelers Constitution State Insurance Company (NAIC #41750) (hereinafter "Travelers Constitution"), Travelers Home and Marine Insurance Company (NAIC #27998) (hereinafter "Travelers Home"), Travelers Personal Insurance Company (NAIC #38130) (hereinafter "Travelers Personal"), Travelers Personal Security Insurance Company (NAIC #36145) (hereinafter "Travelers Personal Security"), Travelers Property Casualty Insurance Company (NAIC #36161) (hereinafter "Travelers Property Casualty"), and United States Fidelity and Guaranty Company (NAIC #25887) (hereinafter "United States") (collectively referred to as "Travelers Companies") 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 in Missouri; and

WHEREAS, the Travelers Casualty, Northland, Charter Oak, Phoenix, Travelers Indemnity, Travelers Indemnity America, Travelers Property, Travelers Indemnity Connecticut, Northfield,

American Equity, Automobile, Discover, Farmington, Fidelity Guaranty, Fidelity Underwriters, Gulf, St. Paul Fire, St. Paul Guardian, St. Paul Mercury, St. Paul Protective, Standard, TravCo, Travelers Surety, Travelers America, Travelers Casualty Company, Travelers Casualty Connecticut, Travelers Commercial Casualty, Travelers Commercial Insurance, Travelers Constitution, Travelers Home, Travelers Personal, Travelers Personal Security, Travelers Property Casualty, and United States have been granted certificates of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Division called Market Conduct Examinations of Travelers Casualty, Northland, Charter Oak, Phoenix, Travelers Indemnity, Travelers Indemnity America, Travelers Property, Travelers Indemnity Connecticut and Northfield based upon findings contained in the Market Conduct Investigations; and

WHEREAS, based on the Market Conduct Investigations, the Division alleges:

1. Travelers Casualty failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policies provided for payment of the applicable sales tax in violation of §§ 375.1007(1),¹ and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

2. Northland failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

3. Charter Oak failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

4. Phoenix failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

5. Travelers Indemnity failed to include a payment for sales tax in two commercial

automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

6. Travelers Indemnity America failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

7. Travelers Property failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

8. Travelers Indemnity Connecticut failed to include a payment for sales tax in one commercial automobile policy first party total loss settlement even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

9. Northfield failed to include a payment for sales tax in one commercial automobile policy first party total loss settlement even though the company's policy provided for payment of the applicable sales tax in violation of §§ 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

WHEREAS, the Travelers Companies voluntarily provided the Division with the names of additional affiliated companies that offer automobile insurance coverage in the State of Missouri and were willing to enter into this Stipulation. These Companies include the following: American Equity, Automobile, Discover, Farmington, Fidelity Guaranty, Fidelity Underwriters, Gulf, St. Paul Fire, St. Paul Guardian, St. Paul Mercury, St. Paul Protective, Standard, TravCo, Travelers Surety, Travelers America, Travelers Casualty Company, Travelers Casualty Connecticut, Travelers Commercial Casualty, Travelers Commercial Insurance, Travelers Constitution, Travelers Home, Travelers Personal, Travelers Personal Security, Travelers Property Casualty, and United States. Market Conduct Investigations were opened for each company, but no findings were made pending the negotiation of this settlement; and

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2000, as amended.

WHEREAS, the Division appreciates the cooperation shown by the Travelers Companies in providing the names of these affiliated companies and in resolving the above examinations and investigations; and

WHEREAS, the Division and the Travelers Companies have agreed to resolve the issues raised in the Market Conduct Examination and Market Conduct Investigations 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.** Travelers Companies agree to take remedial action bringing each into compliance with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Travelers Casualty, Northland, Charter Oak, Phoenix, Travelers Indemnity, Travelers Indemnity America, Travelers Property, Travelers Indemnity Connecticut, Northfield, American Equity, Automobile, Discover, Farmington, Fidelity Guaranty, Fidelity Underwriters, Gulf, St. Paul Fire, St. Paul Guardian, St. Paul Mercury, St. Paul Protective, Standard, TravCo, Travelers Surety, Travelers America, Travelers Casualty Company, Travelers Casualty Connecticut, Travelers Commercial Casualty, Travelers Commercial Insurance, Travelers Constitution, Travelers Home, Travelers Personal, Travelers Personal Security, Travelers Property Casualty, and United States agree that they will pay all first party automobile total loss claims, including payment for all sales taxes relating to such claims, according to the terms of their policy provisions.

2. Travelers Casualty agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Casualty paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.² If all applicable sales taxes were not paid by Travelers Casualty to a claimant, Travelers Casualty shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the

amount of applicable sales tax on the date of loss cannot be determined, Travelers Casualty shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

3. Northland agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Northland paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³ If all applicable sales taxes were not paid by Northland to a claimant, Northland shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Northland shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

4. Charter Oak agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Charter Oak paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.⁴ If all applicable sales taxes were not paid by Charter Oak to a claimant, Charter Oak shall pay restitution to the claimant in the amount of applicable sales tax on the date of

² This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

³ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

⁴ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Charter Oak shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

5. Phoenix agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Phoenix paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.⁵ If all applicable sales taxes were not paid by Phoenix to a claimant, Phoenix shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Phoenix shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

6. Travelers Indemnity agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Indemnity paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.⁶ If all applicable sales taxes were not paid by Travelers

⁵ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

⁶ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

Indemnity to a claimant, Travelers Indemnity shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Indemnity shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

7. Travelers Indemnity America agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Indemnity America paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.⁷ If all applicable sales taxes were not paid by Travelers Indemnity America to a claimant, Travelers Indemnity America shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Indemnity America shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

8. Travelers Property agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Property paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of

each policy at the time of loss.⁸ If all applicable sales taxes were not paid by Travelers Property to a claimant, Travelers Property shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Property shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

9. Travelers Indemnity Connecticut agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Indemnity Connecticut paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.⁹ If all applicable sales taxes were not paid by Travelers Indemnity Connecticut to a claimant, Travelers Indemnity Connecticut shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Indemnity Connecticut shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

10. Northfield agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market

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Conduct Examinations to determine if Northfield paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁰ If all applicable sales taxes were not paid by Northfield to a claimant, Northfield shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Northfield shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

11. American Equity agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if American Equity paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹¹ If all applicable sales taxes were not paid by American Equity to a claimant, American Equity shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, American Equity shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

12. Automobile agrees that it will review all first party automobile total loss claims paid

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or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Automobile paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹² If all applicable sales taxes were not paid by Automobile to a claimant, Automobile shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Automobile shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

13. Discover agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Discover paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹³ If all applicable sales taxes were not paid by Discover to a claimant, Discover shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Discover shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

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14. Farmington agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Farmington paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁴ If all applicable sales taxes were not paid by Farmington to a claimant, Farmington shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Farmington shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

15. Fidelity Guaranty agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Fidelity Guaranty paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁵ If all applicable sales taxes were not paid by Fidelity Guaranty to a claimant, Fidelity Guaranty shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Fidelity Guaranty shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions

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of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

16. Fidelity Underwriters agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Fidelity Underwriters paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁶ If all applicable sales taxes were not paid by Fidelity Underwriters to a claimant, Fidelity Underwriters shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Fidelity Underwriters shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

17. Gulf agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Gulf paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁷ If all applicable sales taxes were not paid by Gulf to a claimant, Gulf shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Gulf shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the

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policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

18. St. Paul Fire agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if St. Paul Fire paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁸ If all applicable sales taxes were not paid by St. Paul Fire to a claimant, St. Paul Fire shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, St. Paul Fire shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

19. St. Paul Guardian agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if St. Paul Guardian paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.¹⁹ If all applicable sales taxes were not paid by St. Paul Guardian to a claimant, St. Paul Guardian shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, St. Paul Guardian shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in

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the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

20. St. Paul Mercury agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if St. Paul Mercury paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁰ If all applicable sales taxes were not paid by St. Paul Mercury to a claimant, St. Paul Mercury shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, St. Paul Mercury shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

21. St. Paul Protective agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if St. Paul Protective paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²¹ If all applicable sales taxes were not paid by St. Paul Protective to a claimant, St. Paul Protective shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, St. Paul Protective shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy,

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including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

22. Standard agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Standard paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²² If all applicable sales taxes were not paid by Standard to a claimant, Standard shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Standard shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

23. TravCo agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if TravCo paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²³ If all applicable sales taxes were not paid by TravCo to a claimant, TravCo shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, TravCo shall pay restitution to the claimant using the rate for

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current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

24. Travelers Surety agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Surety paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁴ If all applicable sales taxes were not paid by Travelers Surety to a claimant, Travelers Surety shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Surety shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

25. Travelers America agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers America paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁵ If all applicable sales taxes were not paid by Travelers America to a claimant, Travelers America shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the

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amount of applicable sales tax on the date of loss cannot be determined, Travelers America shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

26. Travelers Casualty Company agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Casualty Company paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁶ If all applicable sales taxes were not paid by Travelers Casualty Company to a claimant, Travelers Casualty Company shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Casualty Company shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

27. Travelers Casualty Connecticut agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Casualty Connecticut paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁷ If all applicable sales taxes were not

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paid by Travelers Casualty Connecticut to a claimant, Travelers Casualty Connecticut shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Casualty Connecticut shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

28. Travelers Commercial Casualty agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Commercial Casualty paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.²⁸ If all applicable sales taxes were not paid by Travelers Commercial Casualty to a claimant, Travelers Commercial Casualty shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Commercial Casualty shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

29. Travelers Commercial Insurance agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Commercial Insurance paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value

payable under the terms of each policy at the time of loss.²⁹ If all applicable sales taxes were not paid by Travelers Commercial Insurance to a claimant, Travelers Commercial Insurance shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Commercial Insurance shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

30. Travelers Constitution agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Constitution paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³⁰ If all applicable sales taxes were not paid by Travelers Constitution to a claimant, Travelers Constitution shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Constitution shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

31. Travelers Home agrees that it will review all first party automobile total loss claims

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paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Home paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³¹ If all applicable sales taxes were not paid by Travelers Home to a claimant, Travelers Home shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Home shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

32. Travelers Personal agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Personal paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³² If all applicable sales taxes were not paid by Travelers Personal to a claimant, Travelers Personal shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Personal shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

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33. Travelers Personal Security agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Personal Security paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³³ If all applicable sales taxes were not paid by Travelers Personal Security to a claimant, Travelers Personal Security shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Personal Security shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

34. Travelers Property Casualty agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if Travelers Property Casualty paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³⁴ If all applicable sales taxes were not paid by Travelers Property Casualty to a claimant, Travelers Property Casualty shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, Travelers Property Casualty shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific

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³⁴ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

35. United States agrees that it will review all first party automobile total loss claims paid or processed at any time from December 1, 2006 to the date of the Final Order closing these Market Conduct Examinations to determine if United States paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.³⁵ If all applicable sales taxes were not paid by United States to a claimant, United States shall pay restitution to the claimant in the amount of applicable sales tax on the date of loss payable under its policy, including all state, city, county and other taxes. If the amount of applicable sales tax on the date of loss cannot be determined, United States shall pay restitution to the claimant using the rate for current applicable sales tax payable under its policy, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

C. **Compliance.** Travelers Companies agree to file documentation with the Division, in a format acceptable to the Division, within 120 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation and to document payment of restitution required under the terms of this Stipulation.

D. **Voluntary Forfeiture.** Travelers Casualty agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with § 374.280. Northland agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Charter Oak agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Phoenix agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the

³⁵ This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

Missouri State School Fund, in accordance with §374.280. Travelers Indemnity agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Travelers Indemnity America agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Travelers Property agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Travelers Indemnity Connecticut agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000 such sum payable to the Missouri State School Fund, in accordance with §374.280. Northfield agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000 such sum payable to the Missouri State School Fund, in accordance with §374.280.

E. **Other Penalties.** The Division agrees that it will not seek penalties against the Travelers Companies, other than those agreed to in this Stipulation, in connection with Market Conduct Examinations 1607-29-TGT, 1607-28-TGT, 1607-30-TGT, 1607-31-TGT, 1607-32-TGT, 1607-33-TGT, 1607-34-TGT, 1607-35-TGT, 1607-36-TGT, and Market Conduct Investigations 282376, 282377, 282378, 282380, 282381, 282382, 282383, 282384, 282385, 282386, 282387, 282388, 282390, 282391, 282392, 282393, 282394, 282395, 282396, 282397, 282399, 282400, 282402, 282404, 282405.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by the Travelers Companies, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct examinations and market conduct investigations.

F. **Waivers.** Travelers Companies, after being advised by legal counsel, do 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 Market Conduct Examinations 1607-29-TGT, 1607-28-TGT, 1607-30-TGT, 1607-31-TGT, 1607-32-TGT, 1607-33-TGT, 1607-34-TGT, 1607-35-TGT, 1607-36-TGT, and Market Conduct Investigations 282376, 282377, 282378, 282380, 282381, 282382, 282383, 282384, 282385, 282386, 282387, 282388, 282390, 282391, 282392, 282393, 282394, 282395, 282396, 282397, 282399, 282400, 282402, 282404, 282405.

G. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by all signatories to the Stipulation.


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

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

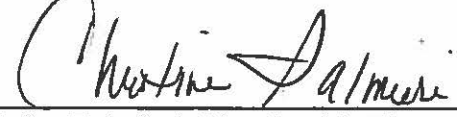
J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.

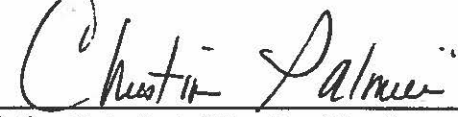
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 12/22/2016 
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 12/22/16 
Stewart Freulich
Senior Regulatory Affairs Counsel

DATED: 12/14/16 
[Christine Palmieri, Vice President]
Travelers Casualty Insurance Company of America

DATED: 12/14/16 
[Christine Palmieri, Vice President]
Northland Insurance Company

DATED: 12/14/16 
[Christine Palmieri, Vice President]
Charter Oak Fire Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Phoenix Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Travelers Indemnity Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Travelers Indemnity Company of America

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Travelers Property Casualty Company of America

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Travelers Indemnity Company of Connecticut

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Northfield Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
American Equity Specialty Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Automobile Insurance Company of Hartford,
Connecticut

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Discover Property & Casualty Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Farmington Casualty Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Fidelity and Guaranty Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Fidelity and Guaranty Insurance Underwriters, Inc.

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Gulf Underwriters Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
St. Paul Fire and Marine Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
St. Paul Guardian Insurance Company

DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
St. Paul Mercury Insurance Company

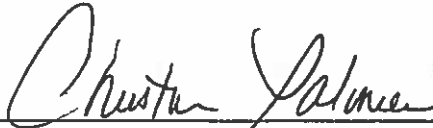
DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
St. Paul Protective Insurance Company

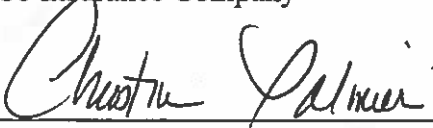
DATED: 12/14/16

Christine Palmieri
[Christine Palmieri, Vice President]
Standard Fire Insurance Company

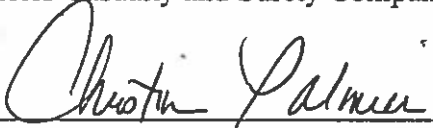
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[Christine Palmieri, Vice President]
TravCo Insurance Company

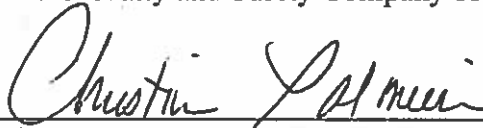
DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Casualty and Surety Company

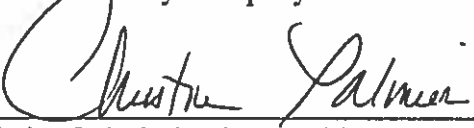
DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Casualty and Surety Company of America

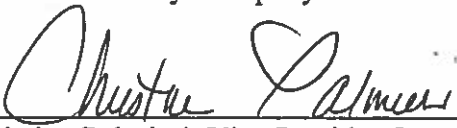
DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Casualty Company

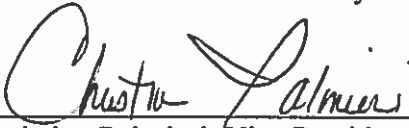
DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Casualty Company of Connecticut


DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Commercial Casualty Company

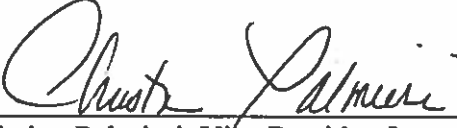
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[Christine Palmieri, Vice President]
Travelers Commercial Insurance Company

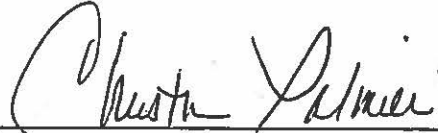
DATED: 12/14/16


[Christine Palmieri, Vice President]
Travelers Constitution State Insurance Company

DATED: 12/14/16

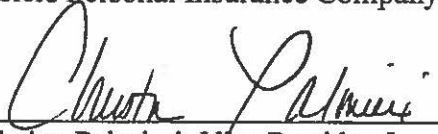

[Christine Palmieri, Vice President]
Travelers Home and Marine Insurance Company

DATED: 12/14/16



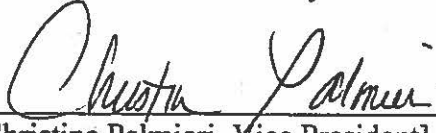
[Christine Palmieri, Vice President]
Travelers Personal Insurance Company

DATED: 12/14/16



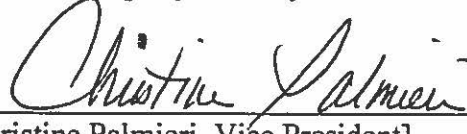
[Christine Palmieri, Vice President]
Travelers Personal Security Insurance Company

DATED: 12/14/16



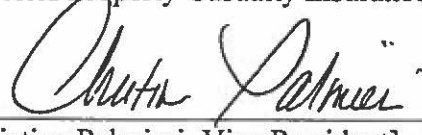
[Christine Palmieri, Vice President]
Travelers Property Security Insurance Company

DATED: 12/14/16



[Christine Palmieri, Vice President]
Travelers Property Casualty Insurance Company

DATED: 12/14/16



[Christine Palmieri, Vice President]
United States Fidelity and Guaranty Company