

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

In Re:)
)
QBE INSURANCE CORPORATION) **Market Conduct Investigation No.**
(NAIC #39217)) **13035-39217-PC**

ORDER OF THE DIRECTOR

NOW, on this 21st day of February, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and QBE Insurance Corporation (NAIC #39217) (hereinafter "QBE"), relating to the market conduct investigation set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15 RSMo 2016 is in the public interest.

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

IT IS FURTHER ORDERED that QBE 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 and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation

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 February, 2019.

Chlora Lindley-Myers

Chlora Lindley-Myers
Director



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QBE INSURANCE CORPORATION) **Market Conduct Investigation No.**
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STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), and QBE Insurance Corporation (NAIC #39217) (hereinafter "Company"), 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, Company has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Division conducted a Market Conduct Investigation of Company, Investigation No. 13035-39217-PC; and

WHEREAS, based on the Market Conduct Investigation of Company, the Division alleges that:

1. At all relevant times during the Investigation, Company has offered and sold Travel Insurance policies in the State of Missouri.
2. As part of the Investigation into Company's Travel Insurance business, the Division has raised a number of regulatory issues which it seeks to address, clarify or remedy by this Agreement.

3. Company has cooperated with the Division during the course of the Investigation by responding to information requests and conferring with the Division by conference call.

4. Company denies any wrongdoing or activity that violates any applicable laws or regulations. The Division and Company enter into this Agreement solely for the purpose of reaching a compromise and settlement to fully and finally resolve the issues raised in the Investigation without the need for a hearing or further administrative action.

WHEREAS, the Division and Company have agreed to resolve the issues raised in the Market Conduct Investigation as follows:

A. Definitions.

1. "Administrators" means both Third Party Administrators, as defined by Missouri law and Managing General Agents, as defined by Missouri law.

2. "Agreement" means this Stipulation of Settlement.

3. "Assistance Services" means one or more of the following non-insurance services that may be distributed by Distribution Participants or other entities including, but not limited to:

a. Multilingual Assistance that is not related to the purchase of Travel Insurance by the consumer nor related to the handling of a Travel Insurance claim.

b. Concierge Services, including restaurant referrals, event ticket and excursion and recreation reservations, relaying urgent messages or providing information relating to the purchaser's trip, unless directly or indirectly related to Travel Insurance, the administration of Travel Insurance coverage, or covered under a policy of Travel Insurance; and

c. Any other service that is furnished in connection with planned travel and is not directly or indirectly related to Travel Insurance, the administration of Travel

Insurance coverage or covered under a policy of Travel Insurance.

4. “Company” means QBE Insurance Corporation including officers, directors, employees, successors or assigns.

5. “Director” means the Director of the Department of Insurance, Financial Institutions and Professional Registration.

6. “Distribution Participants” means all producers, as defined by Missouri law, Limited Lines Travel Insurance Producers, Travel Retailers, business entities as defined by Missouri law, which may include travel websites, tour operators, airlines, cruise lines, vacation package promoters, sellers of event tickets, hoteliers, property management companies, timeshare operators, rental car companies, other travel and tourism suppliers, and other entities selling or offering Company’s Travel Insurance.

7. “Division” means the Division of Insurance Market Regulation, a part of the Department of Insurance, Financial Institutions and Professional Registration.

8. “Effective Date” means the date the Director issues an Order approving and adopting this Agreement.

9. “Investigation” means the market conduct investigation conducted by the Division reviewing the Company’s Travel Insurance practices.

10. “Illusory Travel Insurance” means an insurance policy that could never result in payment of any claim for an insured under the policy.

11. “Limited Lines Travel Insurance Producer” means a (i) licensed managing general agent or third-party administrator, or (ii) a limited lines insurance producer.

12. “Missouri Insurance Laws” means the insurance statutes, rules, regulations, and case law in effect in the State of Missouri.

13. “Monitoring Time Period” begins on the Effective Date and ends three years from the date the Company has adopted and implemented each of the Business Reforms set forth in Section B of this Agreement, unless the Company ceases to offer, sell and underwrite Travel Insurance in Missouri per Section C of this Agreement.

14. “Opt-Out Marketing Plan” means an offer or agreement to sell or provide the Company’s Travel Insurance, in a way under which the customer’s silence or failure to take affirmative action (such as checking or unchecking a box to remove coverage), to reject the Company’s Travel Insurance results in a) Travel Insurance coverage becoming effective or b) the Company or any of its Distribution Participants collecting or attempting to collect payment from the customer for the Travel Insurance.

15. “Parties” means collectively Company and the Division.

16. “Self-Funding Insurance Coverages” is where a Distribution Participant, without a valid certificate of authority to engage in the business of insurance, undertakes to engage in the business of insurance in Missouri as defined by Missouri Insurance Law. “Self-Funding Insurance Coverages” does not include Assistance Services or Travel Cancellation Fee Waivers.

17. “Travel Cancellation Fee Waiver” means a contractual agreement between a Distribution Participant and its customer where the Distribution Participant waives its own products/services (including pre-purchased packages of travel products/services for which the Distribution Participant is contractually obligated) and refunds all or part of the full purchase price without regard to the reason for cancellation.

18. “Travel Insurance” means insurance coverage for personal risks incident to planned travel, including, but not limited to:

- a. Interruption or cancellation of trip or event;

- b. Loss or delay of baggage or personal effects;
- c. Damages to accommodations or rental vehicles;
- d. Sickness, accident, disability or death occurring during travel and any related medical services;
- e. Missed connection;
- f. Emergency evacuation and repatriation and any related emergency services;
- g. Accidental death and dismemberment;
- h. Repatriation of remains;
- i. Loss due to travel delay; and
- j. Any other contractual obligation to indemnify a specified amount to the traveler that constitutes insurance under the applicable laws of the State of Missouri.

19. "Travel Insurance" does not include:

- a. Major medical plans which provide comprehensive medical protections for travelers with trips lasting six (6) months or longer, including, but not limited to, those working overseas as expatriate or military personnel deployed overseas;
- b. Assistance Services; or
- c. Travel Cancellation Fee Waivers.

20. "Travel Retailer" means a business entity that makes, arranges or offers travel services and may offer and disseminate Travel Insurance as a service to its customers on behalf of and under the direction of a Limited Lines Travel Insurance Producer.

B. Business Reforms.

The Company agrees that to the extent the following business reforms have not already been adopted by the Company the Company will adopt and implement such business reforms. The Company will have six (6) months after the Effective Date to adopt and implement such business reforms, unless a different date is prescribed herein.

Distribution Participants

1. Licensing and Registration. Company agrees to ensure that all Distribution Participants, through which its Travel Insurance products are distributed in Missouri, will be properly licensed or registered, where required, under applicable Missouri Insurance Law. Company will ensure that for all Distribution Participants operating on its behalf, all registries will be maintained according to Missouri Insurance Law. Company also agrees that it will not provide compensation to any entities or individuals offering or selling Travel Insurance on its behalf or to provide compensation to any entity or individual unless such entity or individual is lawfully permitted to receive such compensation for the sale of Travel Insurance in accordance with Missouri Insurance Law.

2. Third Party Oversight. Company agrees to audit all Administrators operating on its behalf pursuant to the terms of this section. During the Monitoring Time Period, such audits will occur at least twice annually and will review business practices, adherence to contractual obligations, compliance with any fiduciary duties established pursuant to applicable Missouri Insurance Law, and separation of funds according to the requirements of Missouri Insurance Law. At least one of the two audits per year will be conducted at the office of the entity, which is being audited. Details of each audit, including the audit plan, date performed, items reviewed, concerns noted, if any, and corrective action taken, if any, will be documented and retained by Company during the Monitoring

Time Period and thereafter in accordance with applicable record retention requirements set forth in Missouri Insurance Law. Company also agrees to develop and maintain a procedure manual for conducting such audits. After the expiration of the Monitoring Time Period, Company agrees to audit all Administrators operating on its behalf as required by applicable Missouri Insurance Law. Company further agrees, during the Monitoring Time Period, to notify the Division of any changes in Administrators acting on its behalf. This includes Administrators with new contracts and Administrators that have contracts terminated with the Company.

Rates and Forms

3. **Filing and Timing.** Company agrees to review its policy forms, rates, and rules used in connection with the sale of Travel Insurance and abide by any changes Missouri adopts as part of its Insurance Law and by any lawful changes which are made known to the Company during the rates and forms filing and review process. The Company shall determine if the policy forms, rates and rules comply with Missouri Insurance Laws and with its implementation of this Agreement. The Company will file its policy forms, rates, and rules in Missouri on or before June 1, 2020, where necessary to be in compliance with Missouri's Insurance Laws for Property and Casualty and the requirements of this Agreement. Company will have twelve (12) months (with the opportunity to request additional time from the Division) after such filings are approved or the filing process is otherwise completed to implement related requirements, including, but not limited to, provisions relating to emergency medical transportation and repatriation of remains. The Company may request confidential treatment of rating and underwriting information that it files pursuant to Missouri Insurance Law. Company further agrees that on or before July 1, 2020, it will provide the Division with notice if it does not intend to refile or file policy forms in Missouri, but intends to write Travel Insurance business in Missouri.

4. Filed Rate Elements. Company agrees that it will follow Missouri's filing requirements as set out in Missouri Insurance Law, including filing all elements used in its rating process such that rates can be replicated based upon its rate filings.

5. Policy Details. All coverage benefits, limits, exclusions and deductibles shall be contained in a written document or in an electronic document provided to the policy purchaser at the time of purchase. Limits include, but are not limited to, per person, per accident, and aggregate coverage limits, if applicable.

6. No Unfair Discrimination. Company agrees not to utilize any unfair discrimination, as defined by Missouri Insurance Laws, in its Travel Insurance rate and rule filings for use in Missouri.

7. Rate Filings. Company agrees to comply with Missouri Insurance Laws pertaining to rate filings, and, where required, to file specific rates, factors, and inputs for rating each coverage or coverages that are actuarially justified, including all elements used in the development of Travel Insurance premium rates for any coverage. The filings shall include clear definitions of all terms used. Company also agrees to ensure that the calculation of Travel Insurance premiums charged by the Company or by Distribution Participants to individuals insured under the Company's coverages are not excessive, inadequate or unfairly discriminatory.

8. Consistent Rates. Company agrees that the premium charged to the insured for Travel Insurance will not vary between Distribution Participants when the trip cost, state of residence, coverages, and all other factors are the same. The Company will maintain a means to identify the forms and rates used by each Distribution Participant and for each amount charged to an insured, and the amounts charged must be able to be independently calculated by the Division based on the forms and rates identified (and any other factors, including risk factors, used in determining the amount

charged).

9. Charges and Fees. Company agrees that the cost of its Travel Insurance will be the filed rate. Company agrees that it will not engage in unfair discrimination, as defined by Missouri Insurance Laws, and will prohibit its Distribution Participants from engaging in unfair discrimination, as defined by Missouri Insurance Laws, in the application of any premium or fees charged for Travel Insurance, at any point in the sales transaction for the sale of the Company's Travel Insurance coverage. Pursuant to the filing and timing provisions specified in Section B (3) above, any fees charged for the sale of the Company's Travel Insurance coverage that are charged to a consumer must relate directly back to a charge incurred or a service provided.

10. Self-Funding Insurance Coverages. Company agrees that on or before 6 months after the Effective Date, it will prohibit any Distribution Participant operating, selling, or conducting business on its behalf from Self-Funding Insurance Coverages, including but not limited to, trip cancellation, trip interruption, or other insurance coverages unless the entity that is self-funding has a valid certificate of authority issued by the Director or unless such benefits are offered through a Travel Cancellation Fee Waiver program. Pursuant to the filing and timing provisions specified in Section B (3) above, Company also agrees to prohibit any Distribution Participant operating, selling, or conducting business on its behalf from self-funding emergency medical transportation, or repatriation of remains once Company is required to implement the related requirements pursuant to Section B (3) above, unless the entity that is self-funding has a valid certificate of authority issued by the Director. Within 30 days after the Effective Date, Company further agrees to provide a written notice in the form of Exhibit A (the "Notice"), to all Distribution Participants, who are required to be licensed or registered under Missouri Insurance Laws and are involved in the sale or distribution of the Company's Travel Insurance. Company further agrees to work in good faith with its licensed

and registered Distribution Participants to ensure that Exhibit A is provided to all Distribution Participants that offer or sell the Company's Travel Insurance in Missouri. Within 20 days after sending the Notice, Company shall provide the Division with a list of Distribution Participants to which the Notice was sent. The Company shall also inform each Distribution Participant that Missouri Insurance Laws for Self-Funding Insurance Coverages must be complied with if any coverage is unauthorized insurance. Company agrees to report to the Division, during the Monitoring Time Period, as part of the ongoing investigation referenced in Section C (4), any instances where it become aware that Distribution Participants are self-funding any insurance coverages, in conjunction with offering or selling the Company's Travel Insurance, in contravention of the terms of this section.

11. Free Insurance. Except as permitted by law, Company agrees that it will not provide and will prohibit its Distribution Participants, in the sale of the Company's Travel Insurance, from providing basic Travel Insurance coverage free of charge, but then charge a fee for any upgraded Travel Insurance product or service. Company further agrees that it will not advertise and will prohibit its Distribution Participants from advertising that its Travel Insurance is free for children or included at no additional cost when a surcharge or any additional charge is placed on coverage for adults.

12. Free Look Refunds. Where a Travel Insurance contract contains a free look provision, in the event of a valid cancellation of Travel Insurance, Company agrees to refund all amounts collected, including premium and fees, for Travel Insurance from the purchaser by the Company or a Distribution Participant. No contract that contains a free look provision shall allow any Distribution Participants to keep any fees collected from the purchaser for the sale of the Company's Travel Insurance if a valid cancellation of the Travel Insurance occurs. Refunds shall be made within thirty

(30) days of the cancellation of the Travel Insurance unless the time for making refunds is prescribed by Missouri Insurance Laws.

13. Insurance Documents to Comply with State Law. Company agrees that all insurance-related documents, including but not limited to, policy forms, endorsements, and certificates of insurance, will be in compliance with applicable Missouri Insurance Laws. Company further agrees that its claims manuals, underwriting procedures manuals, and related documents follow the contracts of Travel Insurance issued and are in compliance with applicable Missouri Insurance Laws.

Sales Practices

14. Unfair Discrimination. Company agrees that it will not engage in unfair discrimination, as defined by Missouri Insurance Laws, and will prohibit its Distribution Participants from engaging in unfair discrimination, as defined by Missouri Insurance Laws, in the application of any Travel Insurance premium or fees charged, at any point during the sale of the Company's Travel Insurance coverage. Any premium or fees for the Travel Insurance coverage that is charged to a consumer must relate directly back to the filed rating plan. Pursuant to the filing and timing provisions specified in Section B (3) above, the Company agrees that any premium or fees charged to a consumer by the Company or by a Distribution Participant for the Company's Travel Insurance coverage must relate directly back to an approved rate filing or a service provided. Company also agrees to prohibit any Distribution Participants from charging a separate fee for Travel Insurance in addition to the Travel Insurance premium or to add any charges or fees for any of the Company's Travel Insurance products without a separate written agreement with the insured, unless permitted by Missouri Insurance Law. Company agrees to report to the Division, during the Monitoring Period, as part of the ongoing investigation referenced in Section D (4), any instances of which the Company becomes aware of where Distribution Participants charge a separate fee in addition to the Travel

Insurance premium, for the Company's Travel Insurance, without a separate written agreement with the insured.

15. Prohibited Sales Practices. Company agrees that it will not engage in any deceptive, fraudulent or misleading sales practices, as defined by Missouri Insurance Laws, in connection with the sale of the Company's Travel Insurance and will prohibit its Distribution Participants from engaging in any deceptive, fraudulent or misleading sales practices, as defined by Missouri Insurance Laws, in connection with the sale of the Company's Travel Insurance. Company further agrees that it will not offer or sell Travel Insurance policies using an Opt-Out Marketing Plan in Missouri or to Missouri consumers, and will prohibit its Distribution Participants from offering or selling the Company's Travel Insurance policies using an Opt-Out Marketing Plan in Missouri or to Missouri consumers.

16. Compulsory Insurance. Except as permitted by Missouri Insurance Laws, Company agrees that it will not require or mandate, and will prohibit its Distribution Participants, in the sale of the Company's Travel Insurance, from requiring or mandating the purchase of Company's Travel Insurance or any specific Travel insurance product offered by its Distribution Participants as a condition for the purchase of the trip or travel package. This prohibition includes representing to any consumer that the purchase of Company's or any specific Travel Insurance is compulsory, but this prohibition does not prohibit a consumer who exercises freedom of choice from purchasing the Company's Travel insurance or other Travel Insurance product offered by Company's Distribution Participants.

17. Illusory Travel Insurance. Company agrees that it will not offer or sell Illusory Travel Insurance Coverage and will prohibit its Distribution Participants, in the sale of the Company's Travel Insurance, from offering or selling Illusory Travel Insurance Coverage.

18. Advertising and Marketing. Company agrees to ensure that all sales materials, advertising materials, marketing materials and other client-facing documents comply with the Missouri Insurance Laws to the effect that they: a) are consistent with all insurance-related documents, including but not limited to, forms, endorsements, policies and certificates of insurance, b) relate back to filed rates, made pursuant to the filing and timing provisions specified in Section B (3) above, c) do not contain ambiguous language, and d) are not untrue, deceptive or misleading.

19. Policy Interpretation. Any disputes regarding Travel Insurance policy language will be interpreted consistent with Missouri Insurance Law governing the interpretation of insurance contracts.

20. Trusts. Company agrees that it will not sell, and will prohibit its Distribution Participants, in the sale of the Company's Travel Insurance, from selling its Travel Insurance through a trust in Missouri.

21. Group and Blanket Coverage. Company agrees that it will not sell Travel Insurance, containing property and casualty benefits, and will prohibit its Distribution Participants from selling Company's Travel Insurance, containing property and casualty benefits, on a group or blanket basis in Missouri. All sales of the Company's Travel Insurance to residents of Missouri shall be on an individual basis.

Claims and Claims Practices

22. Handling of Claims. Company agrees that claims for Travel Insurance benefits, including pre-existing conditions claims, will be adjudicated based on Missouri Insurance Laws where the purchaser resides in Missouri and will be based on the relevant insurance policy language. Company agrees that unless otherwise specified or subject to another term, condition or exclusion under the policy, a pre-existing condition waiver waives all pre-existing conditions.

23. Coordination of Benefits. Company shall pay claims in accordance with Missouri coordination of benefit laws.

Record Retention

24. Company agrees that it will maintain documentation of its underwriting, rating, complaint, and claims files in accordance with applicable Missouri Insurance Laws.

Insurance and Assistance Services

25. Company represents to the Director that it is not selling Assistance Services in Missouri as defined in Section A (3) and that it has no intention of commencing to sell Assistance Services in Missouri in the future. In the event, Company sells a product in Missouri after the date the Director signs the Order approving this Stipulation that includes Assistance Services as defined in Section A (3), Company agrees to abide by the provisions of Section B (26) of this Stipulation.

26. Company agrees not to combine and package, and will prohibit its Distribution Participants from combining and packaging, the cost of Assistance Services or Travel Cancellation Fee Waivers with the cost of Travel Insurance in the sale of its Travel Insurance to Missouri consumers, unless a) there is clear and conspicuous written disclosure provided to the purchaser of the different component parts included in the package, b) there is clear and conspicuous written disclosure provided to the purchaser of the cost of each component included in the package, and c) the purchaser is provided the option of purchasing Travel Insurance as a stand-alone product.

Premium Tax

27. Unless otherwise provided for by law, Company agrees to report premiums collected by the Company and by Distribution Participants, and to pay premium tax for Travel Insurance sold to Missouri residents. The Company further agrees to obtain and maintain documentation of specific identifying information necessary to determine the state to which premium tax should be reported,

including but not limited to, the policyholder's or certificate holder's name, address and zip code.

Miscellaneous

28. Company agrees that, in connection with the offer or sale of its Travel Insurance, it will comply with Missouri Insurance Laws on anti-rebating and will require its Distribution Participants to comply with Missouri Insurance Laws on anti-rebating. Company agrees to monitor Distribution Participants to ensure compliance with Missouri anti-rebating laws in connection with the offer or sale of its Travel Insurance.

C. Exiting the Travel Insurance Market

1. Company has represented to the Department that it may voluntarily choose to exit the Travel Insurance market in Missouri. If the Company ceases to offer, sell and underwrite Travel Insurance in Missouri or to Missouri consumers on and after June 1, 2020, and for a period of five (5) years thereafter, the following sections of this Agreement shall not apply to the Company: B (3); B (4); B (7); B (8); B (9); B (10); B (20); B (21); B (25) and B (26). However, the Company agrees that it will continue to comply with Sections B (4), B (7), B (8), B (9), B (10), B (20), B (21), B (25) and B (26) between the date of the Order issued by the Director approving this Stipulation and the date that it ceases to offer, sell and underwrite Travel Insurance in Missouri or to Missouri consumers. In the event, that the Company offers, sells or underwrites Travel Insurance in Missouri or to Missouri consumers between June 2, 2020 and June 2, 2025, all provisions of this Agreement will remain in full force and effect.

2. In the event that the Company voluntarily chooses to exit the Travel Insurance market by ceasing to offer, sell or underwrite Travel Insurance in Missouri or to Missouri consumers between June 2, 2020 and June 2, 2025, the Monitoring Time Period will end 60 days upon the completion of the runoff of all Travel Insurance claims made under policies issued by the Company

prior to exiting the Travel Insurance market.

3. If the Company elects to offer, sell or underwrite Travel Insurance after June 2, 2025, the Company will file or re-file Travel Insurance policy rates and forms with the Director in accordance with Missouri Insurance Laws applicable at that time.

D. Other Provisions.

1. Authority to Execute. The Parties represent and warrant that the person(s) executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

2. Full and Final Agreement. This Agreement, including exhibits, represents the entire understanding between the Company and the Division with respect to the subject matter contained herein and supersedes any and all prior or existing understandings, agreements, plans and negotiations, whether written or oral, between the Company and the Division. This Agreement constitutes full and final resolution of the issues raised in Investigation No. 13035-39217-PC.

3. Monitoring. During the Monitoring Time Period, the Company shall provide the Division with semi-annual reports, in a format acceptable to the Division, beginning six (6) months from the Implementation Date addressing the implementation and execution of the requirements of this Agreement, pursuant to Section A (13). Each report shall be delivered to the Division within thirty (30) days following the end of the applicable reporting period. During the Monitoring Time Period, the Division may provide feedback to the Company regarding its meeting the requirements of this Agreement.

4. Confidentiality of Monitoring. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing investigation pursuant to Section 374.190. To the extent permitted by Missouri law, all audit reports, statistical reports, work papers, documents

and any other information produced, obtained, or disclosed in connection with the Investigation and any follow-up investigation of the Company contemplated under this Agreement, regardless of the manner of production or disclosure, shall be given confidential, trade secret, and privileged treatment, shall not be made public, and are not public records subject to disclosure. Nothing in this Agreement is intended to, nor shall it, preclude the Division from sharing records and other information relating to the Investigation, the Agreement or disclosing the results of compliance with the Agreement to other governmental, regulatory or law enforcement entities to the extent permitted by Missouri law.

5. Monitoring Costs. During the Monitoring Time Period, the reasonable costs and expenses of the Division related to the monitoring of the Company's compliance with this Agreement, including the costs and expenses of conducting the ongoing investigation referenced in Section D (4), shall be borne by the Company.

6. No Additional Exams. During the Monitoring Time Period, if the Company complies with all provisions contained in this Agreement, the Division agrees not to initiate any market conduct examinations and/or investigations relating to any of the issues subject to this Agreement other than the ongoing investigation by the Division referenced in Section D (4) above.

7. Enforcement. Any enforcement action brought by the Division shall be in conformity with the provisions of this paragraph. If the Division believes that the Company has breached a provision of this Agreement, including, but not limited to, the Business Reforms contained in Section B, the Division shall provide written notice of the alleged breach, including citation to the applicable provision(s) of the Agreement and law(s), to the Company. Company shall have the opportunity, within fifteen (15) business days of receipt of such notice, to present evidence in writing and/or through appearance before the Division in an attempt to rebut the allegation(s) or to seek an

extension to address the alleged breach. The Company shall then have ninety (90) business days to cure the alleged breach, unless extension(s) are agreed to by the Division, which shall not be unreasonably withheld. The Division and the Company agree to act and negotiate in good faith to resolve any alleged breach of the Agreement. A breach constitutes a breach of the entire Agreement only if the breach is deemed material, which for purposes of this Agreement means a significant, substantial failure in the performance of the Agreement, and central to the entire Agreement. A material breach of this Agreement shall constitute the violation of an Order of the Director. The Division shall not pursue any enforcement action against the Company until the cure period, as well as any additional time provided through extensions, has expired, but may then seek, without limitation, to enforce the provisions of this Agreement through administrative or legal enforcement actions and may seek penalties for violations of this Agreement. Any enforcement action brought by the Division shall be governed by Missouri law.

8. Sunset. The provisions contained in Section B of this Agreement will expire on the later of five (5) years from the Effective Date or the end of the Monitoring Time Period.

9. Governing Law. This Agreement shall be governed by and interpreted in accordance with Missouri law. Any action or proceeding to enforce the provisions of this Agreement shall be governed by Missouri law.

10. Release. The Division hereby agrees to and does release the Company including officers, directors, employees, successors or assigns from any and all claims, sanctions, losses, demands, interest, penalties, actions or other causes of action that the Division may have, prior to the Effective Date, by reason of any matter, cause or thing whatsoever, regarding or relating to this Investigation and the issues raised or that could have been pursued as a result of matters falling within this Investigation or encompassed by the scope of this Agreement to the extent such practices

commenced prior to the Effective Date of this Agreement. Notwithstanding the foregoing, this Agreement is not intended to, nor may it be construed to, limit the Division's authority to investigate, examine or act upon any noncompliance of the Company with Insurance Laws or regulations regarding matters not within the scope of this Agreement. Further, nothing in this Agreement limits the authority of the Division or the Department to conduct any regulatory functions, including but not limited to dealing with specific instances of consumer complaints, licensing of insurers, Administrators, producers and other entities, or rate and form filing reviews which occur as part of the normal product filing review process. This Agreement is not intended and may not be construed to limit the authority of the Division or the Department to investigate, examine and take appropriate action as to matters outside the scope of this Agreement. Except as provided herein, nothing in this Agreement shall be construed to waive or limit any rights the Division, the Department or the Director may have to regulate the Company or to seek such other remedies for a violation of law or regulation.

11. Subsequent Law. If Missouri adopts an Insurance Law relating to or conflicting with any provision of this Agreement, then application of such provision of this Agreement shall be superseded by such Insurance Law. All other unaffected terms and conditions of the Agreement shall remain in full force and effect.

12. Non-Admissibility. Neither this Agreement nor any part thereof, nor any act performed, or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Company or any of its parents and subsidiaries, successors assigns, officers, directors and employees.

13. No Admission of Liability. This Agreement does not constitute an admission of liability, violation, or wrongdoing by the Company and the Company expressly denies that any of its

actions or alleged actions were knowingly committed or represented a pattern and/or business practice that would violate the insurance unfair trade practice laws, claims settlement laws, or any other applicable statutes or regulations. Neither this Agreement nor any part thereof, nor any related negotiations, statements or court proceedings shall be offered by the Company, the Division or any third party as evidence of an admission, denial or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including, as a waiver by the Company or the Division of any applicable defenses, including without limitation any applicable statute of limitations or statute of frauds; or as a waiver by the Division, the Department or the Director of any regulatory authority regarding the matters or issues addressed in the Investigation.

14. No Impairment of Legal Activity. This Agreement does not impair, restrict, suspend or disqualify the Company from engaging in any lawful business in Missouri, based upon, or arising out of, the Investigation regarding any alleged act or omission of the Company.

15. No Impact on Current Travel Insurance. Nothing in this Agreement or any of its terms and conditions shall be interpreted to alter in any way the terms or the validity of any of the Company Travel Insurance policies or certificates issued prior to the Implementation Date. Nothing in this Agreement shall be interpreted to release the Company from its obligation to pay claims in accordance with policy provisions. Further, nothing in this Agreement shall be interpreted to relieve the Company of its obligations to process consumer complaints in accordance with applicable law.

16. Extensions. The Division and the Company may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement. In the event the Company believes it will be unable to meet a deadline under the Agreement, the Company will promptly, but in no event less than seven (7) business days prior to the deadline in question, inform the Division. The Company will use its reasonable best efforts to meet

any such deadline as soon as practicable. The Division agrees that it will consider all requests for extensions from the Company in good faith.

17. Amendments. No amendments shall be made to this Agreement except in writing and where agreed to by the Company and the Division.

18. Notice and Request for Modification. The Division will notify the Company of any Agreements or terms of Agreements that they enter into with any other Travel Insurance companies that is inconsistent with the Business Reforms (Section B) adopted in this Agreement. Upon receipt of such notice, Company may seek a modification to this Agreement relating to the Business Reform at issue from the Division, and the Division will not unreasonably withhold consent to such a request for modification.

19. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed an original and all of which, when taken together, shall constitute one and the same Agreement. Execution and delivery of this Agreement may be performed by e-mail or facsimile transmission.

20. Headings. The section headings herein are intended for reference and shall not by themselves determine the construction or interpretation of this Agreement.

21. Severability. If any term or provision of this Agreement is determined by any court, regulatory or governmental agency to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provision or part thereof shall be deemed stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. Additionally, in the event that a court, regulatory or governmental agency determines that the Company has failed to satisfy a provision of this Agreement, pursuant to the Enforcement provision in paragraph D (8), it is the intent of the Parties that the remainder of this

Agreement and its corresponding obligations and provisions are not affected thereby and remain in effect.

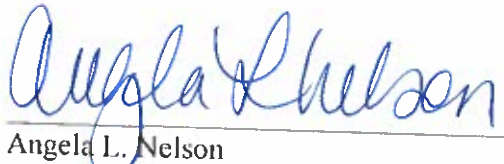
22. Preservation of Rights. This Agreement shall not confer any rights upon any persons or entities other than the Parties to it or extinguish any such rights, and the Agreement is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third-party beneficiaries.

23. The signatories below represent, acknowledge and warrant that they are authorized to sign this Agreement, on behalf of the Division and the Company respectively.

24. This Agreement shall not become effective until entry of a Final Order by the Director approving this Agreement.

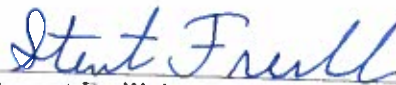
25. The signatories below request that the Director issue an Order approving this Agreement and ordering the relief agreed to in the Agreement, and consent to the issuance of such Order.

DATED: 2/19/2019



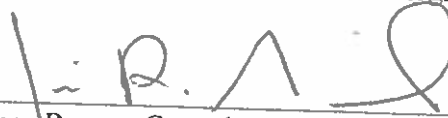
Angela L. Nelson
Director, Division of Insurance Market Regulation
Missouri Department of Insurance, Financial
Institutions and Professional Registration

DATED: 2/15/19



Stewart Freilich
Chief Market Conduct Examiner and Senior Counsel
Missouri Department of Insurance, Financial
Institutions and Professional Registration

DATED: 2/7/19



Jose Ramon Gonzalez
Chief Legal Officer
QBE Insurance Corporation

Exhibit A

CONTENT OF NOTICE TO DISTRIBUTION PARTICIPANTS

**MARKET CONDUCT INVESTIGATION OF
TRAVEL INSURANCE PRACTICES
INVESTIGATION NO. 13035-39217-PC**

**IN THE MATTER OF
QBE INSURANCE CORPORATION
NAIC #39217**

To: Distribution Participants
From: QBE Insurance Corporation
Re: Settlement with Missouri Department of Insurance

Dear Colleagues:

In 2017, the Missouri Department of Insurance initiated a market conduct investigation of QBE Insurance Corporation (“QBE” or “Company”) relating to its travel insurance business. To resolve this investigation, QBE entered into a Stipulation of Settlement (“Stipulation”) with the Department without any admission of wrongdoing. The Stipulation was approved in an Order issued by the Missouri Insurance Director. Attached is a copy of (or link to) the Stipulation and Order, including all exhibits thereto, which we are required to provide you pursuant to Section B (10). Please note the requirements contained in the Stipulation as they relate to Distribution Participants.

All travel insurance companies have a duty to ensure that their distribution participants (including agents and administrators such as TPA’s and MGA’s) comply with all applicable laws and regulations for agents and administrators who are acting on the Company’s behalf. Pursuant to the terms of the Stipulation, QBE hereby notifies you of the following specific regulatory requirements as they relate to sales of QBE travel insurance in Missouri or to Missouri consumers:

- The solicitation and purchase of insurance in Missouri or to Missouri consumers is governed by applicable Missouri law and anyone found violating state law may be subject to license revocation, administrative fines, civil penalties and other remedial actions provided for by applicable state law.
- No one may charge a separate fee for travel insurance in addition to the travel insurance premium or add any charges or fees for any of the Company’s travel insurance products or related services in Missouri without a separate written agreement with the insured, and must comply with all Missouri anti-rebating laws in connection with the sale of travel insurance.
- No one may offer or sell travel insurance policies using an opt-out marketing - plan in Missouri or to Missouri consumers.

- No one may undertake to engage in underwriting or taking risk that would be considered the business of insurance, as defined by Missouri law, without a valid certificate of authority issued by the Director of the Missouri Department of Insurance.
- No one may represent in Missouri or to Missouri consumers that travel insurance is compulsory, or require or mandate the sale of travel insurance as a condition for the purchase of a trip or travel package, unless permitted by Missouri law.
- No one may combine and package the cost of Assistance Services or Travel Cancellation Fee Waivers with the cost of QBE travel insurance in the sale of QBE travel insurance in Missouri or to Missouri consumers unless a) there is clear and conspicuous written disclosure provided to the purchaser of the different component parts included in the package, b) there is clear and conspicuous written disclosure provided to the purchaser of the cost of each component included in the package, and c) the purchaser is provided the option of purchasing travel insurance as a stand-alone product.
- Missouri Insurance Laws for Self-Funding Insurance Coverages must be complied with if any coverage is unauthorized insurance.

QBE is required to work in good faith with its licensed and registered distribution participants to ensure that this Notice is provided to all distribution participants that offer or sell Company's travel insurance in Missouri or to Missouri consumers. Please forward a copy of this Notice to all travel retailers and business entities offering or selling the Company's Travel Insurance in Missouri or to Missouri consumers. If you have any questions, please contact Linda Lin, Assistant General Counsel, QBE Insurance Corporation at 212-497-9617 or linda.lin@us.qbe.com.