



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:

SAFECO INSURANCE COMPANY
OF AMERICA (NAIC #24740)

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Market Conduct Investigation No. 401801

ORDER OF THE DIRECTOR

NOW, on this 04th day of October, 2023, 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 Safeco Insurance Company of America (NAIC #24740) (hereinafter “Safeco”), relating to the market conduct investigation no. 401801, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

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

IT IS FURTHER ORDERED that Safeco shall not engage in any of the violations of statutes 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.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 04th day of October, 2023.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
SAFECO INSURANCE COMPANY) **Market Conduct Investigation No. 401801**
OF AMERICA (NAIC #24740))

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Safeco Insurance Company of America (hereinafter “Safeco”), as follows:

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

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

WHEREAS, the Division conducted a market conduct investigation of Safeco, investigation no. 401801; and

WHEREAS, based on the market conduct investigation of Safeco, the Division alleges that:

1. Safeco Company issued full denials for all damages submitted under claims when some of the damages may have qualified for coverage in two claim files (047735139 and 045475952), indicating the Company did not conduct reasonable investigations, implicating the provisions of § 375.1007(6) RSMo.

2. Safeco’s adjuster cited incorrect policy language as a basis for denial within the denial letters in claim 045475952, implicating the provisions of § 375.1007(12).

3. Safeco does not have an amendatory endorsement to amend the language within “P-4113MOEP 6.03” in regards to an insured’s failure to submit a written notice of loss within a specified time for a claim in violation of 20 CSR 100-1.020(D).

WHEREAS, the Division and Safeco have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (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.** Safeco agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. Safeco agrees to reopen and review claim files 047735139 and 045475952 and provide updates on the status of these files every 60 days following the issuance of the order approving this stipulation until the claim files are closed and issues resolved.

2. Safeco agrees that if any part of claims 047735139 and 045475952 should have been paid it will make payment to the claimant and include calculated interest in any payments in accordance with § 374.191.

3. Safeco agrees to file, within 45 days of the date of the order approving this stipulation, an amendatory endorsement that modifies the language within “P-4113MOEP 6.03” to comply with state regulations.

C. **Compliance.** Safeco agrees to file documentation pursuant to § 374.190 RSMo with the Division, in a format acceptable to the Division, within 30 days of the entry of an Order

approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

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

E. **Waivers.** Safeco, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 401801.

F. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and Safeco.

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

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

I. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

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

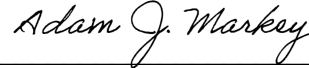
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: September 5, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: September 05, 2023



Name: Adam J. Markey
Title: Regulatory Counsel
Safeco Insurance Company of America