

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

In Re:)
)
BRISTOL WEST INSURANCE) **Market Conduct Exam No. 1306-15-TGT**
COMPANY (NAIC #19658))
)

ORDER OF THE DIRECTOR

NOW, on this 23RD day of MARCH, 2016, Director John M. Huff, after consideration and review of the market conduct examination of Bristol West Insurance Company (NAIC #19658) (hereinafter "Bristol West") conducted by the Division of Insurance Market Regulation (hereinafter the "Division") pursuant to §374.205 RSMo and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders.

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

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

IT IS FURTHER ORDERED that Bristol West shall not engage in any of the violations of law and regulations alleged in the Stipulation and shall take actions to place Bristol West in full compliance with the requirements of the Stipulation and the statutes and regulations of the State of Missouri and shall maintain those actions at all times.

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 23RD day of MARCH, 2016.





John M. Huff
Director

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BRISTOL WEST INSURANCE) **Market Conduct Exam No. 1306-15-TGT**
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STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Bristol West Insurance Company (NAIC #19658) (hereinafter “Bristol West”) 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, Bristol West 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 Examination of Bristol West;

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

1. Bristol West filed automobile symbol sets that were not the symbol sets used in Bristol West rate filings in violation of §379.470 RSMo. and 20 CSR 500-4.100.

2. In 10 instances, Bristol West failed to include the vehicles in their symbol manuals (based on a 10-digit VIN), thereby utilizing unfiled vehicle symbols in violation of §379.470 RSMo. and 20 CSR 500-4.100.

3. Bristol West applied unfiled rules in the computation of credit scores used in the rating of automobile policies in violation of §379.470 RSMo. and 20 CSR 500-4.100.

4. In 24 instances, Bristol West failed to notify claimants within 45 days of an ongoing investigation in violation of §375.1007 (4) RSMo, 20 CSR 100-1.010 (B) & (F) and 20 CSR 100-1.050 (1) (C).

WHEREAS, Bristol West denies that it violated any Missouri statute or regulation and Bristol West is of the position that this Stipulation of Settlement is a compromise of disputed factual and legal allegations, and that payment as outlined below is not to be construed as an admission of liability, but is a complete resolution of the disputes, and avoidance of litigation, related to the Market Conduct Examination;

WHEREAS, the Division and Bristol West have agreed to resolve the issues raised in the Market Conduct Examination through a voluntary settlement as follows:

A. Scope of Agreement. This Stipulation of Settlement 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. Actions to be taken by Bristol West. Bristol West agrees to take actions consistent with this Stipulation of Settlement and agrees to maintain those actions at all times. Such actions shall include, but not be limited to, the following:

1. Bristol West agrees:

- a. To mail a notification, subject to the prior approval of the Division, to all private passenger automobile policyholders for policies written or renewed between June 18, 2009 and November 10, 2014 (hereinafter “remediation timeframe”);
- b. As part of the mailing process, Bristol West will compare its policyholder addresses with the United States Postal Service National Change of Address Database, which will update any change of address printed on the mailing envelope to policyholders;
- c. For any notification that is returned to Bristol West as undeliverable, Bristol West will run a “skip trace” through its outside vendor (“Accurint”) to search for a new address for the policyholder, and if a new address is located, Bristol West will send a new notification to the policyholder at the new address;
- d. Any policyholder who replies to the notification within sixty (60) days of the initial mailing or within 60 days of the second mailing (for notifications that were returned as undeliverable), will receive payment from Bristol West in the amount of \$25.00 for each policy term, during the remediation timeframe, in which they held a policy from Bristol West.
- e. Bristol West will complete the remediation process set out in this Paragraph B-1 within 270 days of the entry of a final order by the Director in this matter and will provide the Division with periodic progress reports at 90 and 180 days to assure the Division that the remediation process is being implemented.

2. Bristol West agrees to send claimants a letter if a claim investigation remains

incomplete, setting forth the reasons additional time is needed to complete such investigation. Such letters shall be sent to the claimant 45 days from the date of initial notification of the claim and every 45 days thereafter until the investigation is completed. Bristol West agrees that an investigation is not deemed complete until a determination of liability and a determination of the amount of liability under coverages afforded by the policy is made by the Companies.

3. Bristol West agrees that it will not utilize unfiled rules or rates in its private passenger auto policies insuring Missouri risks.

4. Within 60 days of the entry of a final order by the Director in this matter, Bristol West will file with the Director Equifax's Consumer Modeling Attributes Guide and will include with the filing a listing of those factors from the Equifax document utilized by Bristol West in the rating of automobile policies.

C. Compliance. Bristol West agrees to file interim documentation with the Division within 180 days of the entry of a final order of all remedial action taken to implement compliance with the terms of this stipulation and to document the payment of restitution required by this Stipulation and to supplement the interim documentation every thirty days thereafter. All documentation of remedial actions taken to implement compliance with the terms of this stipulation shall be filed with the Division within 270 days of the entry of a final order by the Director in this matter. Such documentation may include, but is not limited to:

- 1) copies of notices sent to policyholders that include the name and address of the policyholder;
- 2) copies of notices returned by policyholders;
- 3) a list of all notices that were initially returned undeliverable including delivery address;
- 4) a list of all notices that were returned undeliverable after a second attempt was made to mail the notice including delivery address;
- 5) copies of checks mailed to policyholders; and
- 6) documentation of the Company's efforts to obtain valid addresses for policyholders.

D. Waivers. Bristol West, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to Market Conduct Examination No. 1306-15-TGT.

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

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

G. Authority. The signatories below represent, acknowledge and warrant that they are

authorized to sign this Stipulation of Settlement.

H. Effect of Stipulation. This Stipulation of Settlement 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.

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

DATED: 3/21/2016




Angela L. Nelson
Director, Division of Insurance
Market Regulation

DATED: 3/21/2016



Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: March 16, 2016



Timothy M. Madden
President
Bristol West Insurance Company