



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

In re:)
Esurance Insurance Company) Investigation No. 11003-25712-PC
(NAIC #25712))

ORDER OF THE DIRECTOR

NOW, on this 27th day of August, 2013, Director John M. Huff, after consideration and review of the market conduct investigation of Esurance Insurance Company (NAIC #25712), (hereafter referred to as "the Company") investigation number 11003-25712--PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190 RSMo, and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

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

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

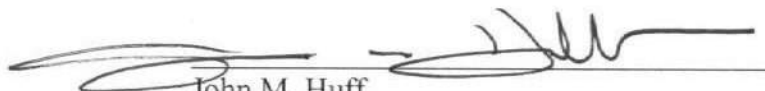
IT IS FURTHER ORDERED that the Company shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place the Company in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times.

IT IS FURTHER ORDERED that the Company shall pay, and the Department of Insurance,

Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,000, 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 27th day of AUGUST, 2013.



John M. Huff
Director



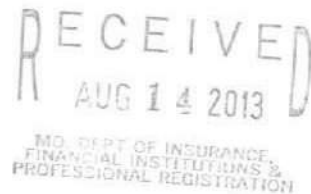


**DEPARTMENT OF INSURANCE, FINANCIAL
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P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Esurance Insurance Company
650 Davis Street
San Francisco, CA 94111

RE: Esurance Insurance Company (NAIC #25712)
Missouri Market Conduct Investigation #11003-25712-PC



**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Esurance Insurance Company. (NAIC # 50814), (hereafter referred to as "Esurance"), as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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, Esurance has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Investigation of Esurance and prepared report number 11003-25712-PC; and

WHEREAS, the report of the Market Conduct Investigation revealed that:

1. In two (2) instances, Esurance did not disclose the availability of stacking uninsured motorist coverage in violation of §375.1007 (1)¹, §379.203, and 20 CSR 100-1.020 (1) (A);
2. In three (3) instances, Esurance did not effectuate a fair and equitable settlement regarding

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

the Medical Payments portion of the claim in violation of §375.1007 (4) and 20 CSR 500-2.100(2) (G) 1;

3. In one (1) instance, Esurance paid medical payments coverage in excess of the insured's health insurance, without disclosing that such coverage is excess in violation of §375.1007 (4) and 20 CSR 500-2.100 (2) (C);

4. In one (1) instance, Esurance paid no benefits for uninsured motorist coverage, but failed to include a denial letter in the file in violation of §375.1007 (7);

5. There was a discrepancy between the medical payments coverage limits as stated on the declarations page and in Esurance's personal auto policy, which discrepancy created an ambiguity in policy provisions in violation of §375.920.

WHEREAS, Esurance hereby agrees to take remedial action bringing it into compliance with the statutes and agrees to maintain those corrective actions at all times including, but not limited to, taking the following actions:

1. Esurance agrees to take corrective action to assure that the errors noted in the above-referenced market conduct investigation report do not recur; and

2. Esurance agrees to provide restitution on claim number WIS-1108 in the amount of \$500 plus interest at the rate of 9% per annum pursuant to §408.020. A letter must be included with the payment, indicating that "as a result of a Missouri Market Conduct Investigation," it was found that an additional payment was owed on the claim. Additionally, evidence must be provided to the Department that such payments have been made within 90 days after the date of the Order finalizing this investigation.

3. Esurance agrees to provide restitution on claim number WIS-10172 in the amount of \$122.70 plus interest at the rate of 9% per annum pursuant to §408.020. A letter must be included with the payment, indicating that "as a result of a Missouri Market Conduct Investigation," it was found that additional payment was owed on the claim. Additionally, evidence must be provided to the Department that such payment has been made within 90 days after the date of the Order finalizing this investigation.

4. Esurance agrees to disclose to claimants, or counsel for claimants, the availability of stacking uninsured motorist coverage prior to effectuating settlement of the claim.

5. Esurance agrees to review all claims from January 1, 2008 to the date of the Order closing this investigation where there was an injury to a claimant, where Medical Payments coverage was available, and where the claim also involved uninsured motorist coverage or the insured's other health

insurance. If medical payments were offset against uninsured motorist coverage or paid as excess to the insured's other health insurance (and the coverage did not disclose that medical payments would be paid as excess), then Esurance shall provide restitution to claimants for the amounts they should have received in medical payments coverage. Interest at the rate of nine percent (9%) per annum shall be included pursuant to § 408.020. A letter must be included with the payments, indicating that "as a result of a Missouri Market Conduct Investigation, it was found that additional payment was owed on the claim." Additionally, evidence must be provided to the Department that such payments, if any, have been made within 90 days after the date of the Order finalizing this investigation.

6. Esurance agrees to change the declarations page in the Company's Personal Auto Policy (form number PP 00 01 06 98) to reflect the medical payments coverage limits as stated in the policy which limits are "for each person injured in any one accident".

WHEREAS, Esurance, 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, which may have otherwise applied to the above referenced Market Conduct Investigation; and

WHEREAS, Esurance hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Investigation #11003-25712-PC further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$1,000.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Esurance to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Esurance does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director, and does surrender and forfeit the sum of \$1,000, such sum payable to the Missouri State School Fund, in accordance with §374.280.

DATED: 8-8-13


President
Esurance Insurance Company