

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

**In Re:** )  
 ) **Market Conduct Investigation**  
**FLORIST’S MUTUAL INSURANCE** ) **Number 13088-13978-PC**  
**COMPANY (NAIC #0349-13978)** )

**ORDER OF THE DIRECTOR**

NOW, on this 29<sup>th</sup> day of JANUARY, 2015, Director John M. Huff, after consideration and review of the market conduct investigation of Florist’s Mutual Insurance Company (NAIC #0349-13978) (hereafter referred to as “Florist’s Mutual”) investigation number 13088-13978-PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190<sup>1</sup> and the Stipulation of Settlement (“Stipulation”), does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo (Cum. Supp. 2014) and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that Florist’s Mutual 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 Florist’s Mutual shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Florist’s Mutual 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 Florist’s Mutual shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept,

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

the Voluntary Forfeiture of \$7,750, 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 29<sup>th</sup> day of JANUARY, 2015.

  
John M. Huff  
Director



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

**RECEIVED**  
JAN 26 2015  
DEPT OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION

**In Re:** )  
)  
**FLORISTS' MUTUAL** ) **Market Conduct Investigation**  
**INSURANCE COMPANY** ) **No. 13088-13978-PC**  
**(NAIC #0349-13978)** )  
)

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Florists' Mutual Insurance Company (NAIC #0349-13978) (hereinafter referred to as "Florists' Mutual"), 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, Florists' Mutual 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 Florists' Mutual; and

WHEREAS, the Market Conduct Investigation revealed that:

1. In seventeen (17) instances, an audit was completed and billed more than 120 days from the expiration date of the policy in violation of § 287.955.1<sup>1</sup> and 20 CSR 500-6.500(2)(A); and

2. In three (3) instances, Florists' Mutual estimated premium at final audit due to an uncooperative insured in violation of §287.955;

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

A. **Scope of Agreement.** This Stipulation of Settlement embodies the entire

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

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.** Florists' Mutual agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably assure that the errors noted in the Market Conduct Investigation do not recur. Such remedial actions shall include, but not be limited to, the following:

1. Florists' Mutual agrees to provide remediation to the policyholders listed below in the amounts listed below plus interest at the rate of 9% per annum as provided by § 408.020:

Policy #WCN1943-09-13 11	\$1,740.96
Policy #WCN1952-10-04 11	\$58.24
Policy #WCN1952-10-04 12	\$57.20
Policy #WCN2002-10-12 08	\$165.36
Policy #WCN2004-10-12 08	\$429.52
Policy #WCN1965-10-16 08	\$203.84
Policy #WCN1965-10-16 10	\$11.44
Policy #WCN1969-10-25 10	\$97.76
Policy #WCN1969-10-25 11	\$120.60
Policy #WCN1963-10-31 11	\$2,433.60
Policy #WCN2016-10-31 10	\$16.64
Policy #WCN2019-11-01 10	\$109.20
Policy #WCN2019-11-01 11	\$439.92
Policy #WCN2024-11-03 11	\$238.12
Policy #WCR2024-11-03 10	\$19.58

2. Florists' Mutual agrees to review workers compensation insurance policies with Missouri premium or exposure where the audit resulted in additional premium from January 1, 2010 to the date of the Order closing this Investigation to determine if other audits were not completed within 120 days of policy expiration or cancellation. If the audit was not completed within 120 days and the delay was not caused by the policyholder's failure to respond to

reasonable audit requests or by a mutual agreement between the policyholder and Florists' Mutual, then Florists' Mutual shall provide restitution to the policyholder, plus interest at the rate of 9% per annum as provided by § 408.020, for any additional premium charged as a result of the audit extending beyond 120 days from the date of policy expiration or cancellation.

3. Florists' Mutual agrees to ensure that its procedures for determining final premium comply with NCCI rule 02-MO-2013.

C. **Compliance.** Florists' Mutual agrees to file documentation with the Division within 90 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 payment of remediation required by this stipulation.

D. **Voluntary Forfeiture.** Florists' Mutual agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$7,750, with such sum payable to the Missouri State School Fund in accordance with § 374.280.

E. **Waivers.** Florists' Mutual, 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 the above referenced Market Conduct Investigation.

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

G. **Governing Law.** This Stipulation of Settlement 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 of Settlement.

I. **Effect of Stipulation.** This Stipulation of Settlement shall become effective only upon entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.

J. **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: 1-28-15

  
\_\_\_\_\_  
Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: 1-16-15

  
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Yvonne B. Klee  
President  
Florists' Mutual Insurance Company