

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

In Re:)
)
GREAT DIVIDE) **Market Conduct Investigation**
INSURANCE COMPANY) **No. 13089-25224-PC**
(NAIC #0098-25224))
)

ORDER OF THE DIRECTOR

NOW, on this 20th day of August, 2014, Director John M. Huff, after consideration and review of the market conduct investigation of Great Divide Insurance Company (NAIC #0098-25224) (hereafter referred to as "Great Divide"), investigation number 13089-25224-PC, conducted by the Division of Insurance Market Regulation pursuant to § 374.190¹ and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

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

IT IS THEREFORE ORDERED that Great Divide 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 Great Divide shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Great Divide 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.

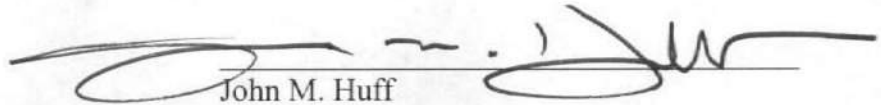
IT IS FURTHER ORDERED that Great Divide shall pay, and the Department of

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

Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$4,000 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 20th day of August, 2014.


John M. Huff
Director



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

In Re:)	
)	
GREAT DIVIDE)	Market Conduct Investigation
INSURANCE COMPANY)	No. 13089-25224-PC
(NAIC #0098-25224))	
)	

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Great Divide Insurance Company (NAIC #0098-25224) (hereinafter referred to as "Great Divide"), 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, Great Divide 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 Great Divide;
and

WHEREAS, the Market Conduct Investigation revealed that:

1. In eight (8) instances, an audit was completed and billed more than 120 days from the expiration date of the policy in violation of § 287.955.1¹ and 20 CSR 500-6.500(2)(A);
and

WHEREAS, the Division and Great Divide 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 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

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

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. Great Divide 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. Great Divide agrees to provide remediation to the policyholder on Policy #200030 (expiration date 12/31/2011) in the amount of \$17,538 plus interest at the rate of 9% per annum as provided by § 408.020;

2. Great Divide agrees to provide remediation to the policyholder on Policy #200203 (expiration date 09/20/2010) in the amount of \$8,068 plus interest at the rate of 9% per annum as provided by § 408.020;

3. Great Divide agrees to provide remediation to the policyholder on Policy #200203 (expiration date 09/20/2011) in the amount of \$3,670 plus interest at the rate of 9% per annum as provided by § 408.020;

4. Great Divide agrees to provide remediation to the policyholder on Policy #1514105 (expiration date 01/02/2012) in the amount of \$5,548 plus interest at the rate of 9% per annum as provided by § 408.020;

5. Great Divide agrees to provide remediation to the policyholder on Policy #1514105 (expiration date 01/02/2013) in the amount of \$12,965 plus interest at the rate of 9% per annum as provided by § 408.020;

6. Great Divide agrees to provide remediation to the policyholder on Policy #1522328 (expiration date 09/30/2012) in the amount of \$5,083 plus interest at the rate of 9% per annum as provided by § 408.020;

7. Great Divide agrees to provide remediation to the policyholder on Policy #1522343 (expiration date 12/31/2011) in the amount of \$1,162 plus interest at the rate of 9% per annum as provided by § 408.020;

8. Great Divide agrees to provide remediation to the policyholder on Policy #1537247 (expiration date 09/08/2012) in the amount of \$2,783 plus interest at the rate of 9% per annum as provided by § 408.020;

9. Great Divide 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 Great Divide, then Great Divide 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.

C. **Compliance.** Great Divide 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.** Great Divide agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$4,000 such sum payable to the Missouri State School Fund, in accordance with § 374.280.

E. **Waivers.** Great Divide, 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.

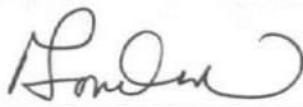
J. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation of Settlement and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 8/19/2014



Kelly Hopper
Legal Counsel
Division of Insurance Market Regulation

DATED: 8-14-14



Patricia London
Assistant Treasurer
Great Divide Insurance Company

RECEIVED
AUG 18 2014

4 MO. DEPT. OF REVENUE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

RECEIVED
AUG 18 2014

MO. DEPT. OF REVENUE,
PROFESSIONAL REGISTRATION