

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

<i>In Re:</i>	)	
	)	
STAR INSURANCE COMPANY (NAIC #18023)	)	Market Conduct Examination No. 1610-43-TGT
	)	
SAVERS PROPERTY & CASUALTY INSURANCE COMPANY (NAIC #16551)	)	Market Conduct Examination No. 1610-44-TGT

**ORDER OF THE DIRECTOR**

NOW, on this 29<sup>th</sup> day of DECEMBER, 2016, Director John M. Huff, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), Star Insurance Company (NAIC #18023) (hereinafter "Star") and Savers Property & Casualty Insurance Company (NAIC #16551) (hereinafter "Savers"), relating to the market conduct examinations set out in the caption above, does hereby issue the following orders:

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

**IT IS THEREFORE ORDERED** that Star, Savers, 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 Star and Savers shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place Star and Savers in full compliance with the requirements in the Stipulation, to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

**IT IS FURTHER ORDERED** that Star 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 FURTHER ORDERED** that Savers shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$2,000 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 29<sup>th</sup> day of DECEMBER, 2016.



  
John M. Huff  
Director

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<b>STAR INSURANCE COMPANY (NAIC #18023)</b>	)	<b>Market Conduct Examination No. 1610-43-TGT</b>
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<b>SAVERS PROPERTY &amp; CASUALTY INSURANCE COMPANY (NAIC #16551)</b>	)	<b>Market Conduct Examination No. 1610-44-TGT</b>

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), Star Insurance Company (NAIC #18023) (hereinafter “Star”), and Savers Property & Casualty Insurance Company (NAIC #16551) (hereinafter “Savers”), 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**, Star and Savers have been granted certificates of authority to transact the business of insurance in the State of Missouri; and

**WHEREAS**, the Division called Market Conduct Examinations of Star and Savers based upon findings contained in a Market Conduct Investigations; and

**WHEREAS**, the Market Conduct Investigations revealed that:

1. Star failed to include a payment for sales tax in one commercial automobile policy first party total loss settlement even though the company’s policy provided for payment of the sales

tax in violation of §§ 375.445,<sup>1</sup> 375.936(13), 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

2. Savers failed to include a payment for sales tax in two commercial automobile policy first party total loss settlements even though the company's policies provided for payment of the sales tax in violation of §§ 375.445, 375.936(13), 375.1007(1), and 375.1007(4), RSMo, and 20 CSR 100-1.020(1)(A).

**WHEREAS**, the Division, Star, and Savers have agreed to resolve the issues raised in the Market Conduct Examinations and Market Conduct Investigations as follows:

**A. Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (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.** Star and Savers agree to take remedial action bringing each into compliance with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Star and Savers agree that they will pay all first party automobile total loss claims, including payment for all sales taxes relating to such claims, according to the terms of their policy provisions and agree to maintain this remedial action at all times;

2. Star agrees that it will review all first party commercial automobile total loss claims paid or processed at any time from December 5, 2011 to the date of the entry of the Final Order closing these Market Conduct Examinations to determine if Star paid all applicable sales taxes to

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

total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.<sup>2</sup> If all applicable sales taxes were not paid by Star to a claimant, Star shall pay restitution to the claimant in the amount of the sales tax payable under its policy on the date of loss, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

3. Savers agrees that it will review all first party commercial automobile total loss claims paid or processed at any time from December 5, 2011 to the date of the entry of the Final Order closing these Market Conduct Examinations to determine if Savers paid all applicable sales taxes to total loss claimants for their damaged vehicles using the contractual value payable under the terms of each policy at the time of loss.<sup>3</sup> If all applicable sales taxes were not paid by Savers to a claimant, Savers shall pay restitution to the claimant in the amount of the sales tax payable under its policy on the date of loss, including all state, city, county and other taxes. Such restitution shall be paid with no reduction in the amount payable to the claimant if the owner of the total loss vehicle retains the vehicle as salvage, unless there is a clear and specific provision in the policy supporting the reduction. For purposes of this Stipulation, providing a claimant with a sales tax affidavit pursuant to the provisions of §144.027 does not constitute payment of all applicable sales taxes to the claimant.

C. **Compliance.** Star and Savers agree to file documentation with the Division, in a

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<sup>2</sup> This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

format acceptable to the Division, within 90 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation and to document payment of restitution required under the terms of this Stipulation.

D. **Examination Fees.** Star and Savers agree to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by the Companies pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** Star agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000 such sum payable to the Missouri State School Fund, in accordance with § 374.280. Savers agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 such sum payable to the Missouri State School Fund, in accordance with §374.280.

F. **Other Penalties.** The Division agrees that it will not seek penalties against Star and Savers, other than those agreed to in this Stipulation, in connection with Market Conduct Examinations #1610-43-TGT, and 1610-44-TGT.

G. **Waivers.** Star and Savers, after being advised by legal counsel, do 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 Examinations #1610-43-TGT, and 1610-44-TGT.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division, Star, and Savers.

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

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

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<sup>3</sup> This could be Actual Cash Value, Stated Value or some other valuation method listed in the policy.

authorized to sign this Stipulation, on behalf of the Division, Star, and Savers respectively.

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

L. **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: 12/28/2016



Angela L. Nelson, Director  
Division of Insurance Market Regulation

DATED: 12/28/16



Stewart Freilich  
Senior Regulatory Affairs Counsel

DATED: December 19, 2016



Randolph W. Fort, Vice President  
Star Insurance Company

DATED: December 19, 2016



Randolph W. Fort, Vice President  
Savers Property & Casualty Insurance Company