

**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
LIBERTY INSURANCE UNDERWRITERS ) Market Conduct Investigation No. 336573  
INC. (NAIC #19917) )

**ORDER OF THE DIRECTOR**

NOW, on this 20<sup>th</sup> day of September, 2022, Director, Chlora Lindley-Myers, 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”), and Liberty Insurance Underwriters Inc. (NAIC #19917) (hereinafter “Liberty”), relating to the market conduct investigation no. 336573, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

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

**IT IS FURTHER ORDERED** that Liberty shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it 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, and shall fully comply with all terms of the Stipulation.

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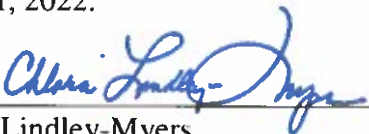
<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

**IT IS FURTHER ORDERED** that Liberty shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$250.00, 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 30<sup>th</sup> day of September, 2022.



  
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Chlora Lindley-Myers  
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE  
STATE OF MISSOURI**

*In Re:* )  
 )  
**LIBERTY INSURANCE UNDERWRITERS ) Market Conduct Investigation No. 336573**  
**INC. (NAIC #19917) )**

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Liberty Insurance Underwriters Inc. (NAIC #19917) (hereinafter “Liberty”), as follows:

**WHEREAS**, the Division is a unit of the Missouri Department of Commerce and Insurance (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 of Missouri;

**WHEREAS**, the Department issued Liberty a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, the Division conducted a market conduct investigation of Liberty, investigation no. 336573; and

**WHEREAS**, based on the market conduct investigation of Liberty, the Division alleges that:

1. In 13 instances<sup>1</sup>, Liberty failed to maintain complete claim files so as to show clearly the handling and disposition of the claims in violation of §374.205.2(2)<sup>2</sup> and 20 CSR 100-8.040(3)(B).

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<sup>1</sup> The examiner requested a list of portable electronic insurance claims in Missouri from January 1, 2018 through June 30, 2018 and from the list provided, the examiner requested and reviewed 18 claim files. This error was found in 13 of 18 claim files.

<sup>2</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

2. In four instances<sup>3</sup>, Liberty failed to provide the subscriber with a written denial letter citing a policy provision, condition or exclusion for denying the claim based on “model not in use” in violation of §§375.1007(4), 375.1007(12) and 375.1005(2) and 20 CSR 100-1.050(1)(A).

**WHEREAS**, as to allegation number 2 above, Liberty states it did not provide a written letter in three of the four instances because the loss was ultimately accepted under a subsequent claim filed by the same subscriber.

**WHEREAS**, the Division and Liberty have agreed to resolve the issues raised in the above-referenced market conduct investigation 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.** Liberty agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation no. 336573 and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. Liberty agrees to timely provide full and complete records in response to future document requests made by the Department in market conduct investigation or examinations.

2. Liberty agrees to ensure log notes are adequate, complete, and entered in a timely manner in accordance with 20 CSR 100-8.040(3)(B) and agrees to maintain claim files in accordance with 20 CSR 100-8.040(3)(B). That is, “the claim file shall be maintained so as to clearly show the

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<sup>3</sup>This error was found in four of 18 claim files.

inception, handling, and disposition of each claim. The claim file(s) shall be sufficiently clear and specific so that pertinent events and dates of these events can be reconstructed. A Missouri claim file(s) shall include the following. Any notification of claim, proof of loss, claim form(s), proof of claim payment check/draft, notes, contract, declaration pages, certificates evidencing coverage under a group contract, endorsements or riders, work papers, any written communication, and any documented or recorded telephone communication related to the handling of a claim, including the investigation, payment and/or denial of the claim, and any claim manual(s) or other information necessary for reviewing the claim.”

3. Liberty agrees that for any denial of a claim, said denial will be provided to the subscriber in writing as required by 20 CSR 100-1.050(1)(A).

C. **Compliance.** Liberty agrees to file documentation with the Division pursuant to §374.190, in a format acceptable to the Division, within 30 days of the entry of an Order of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** Liberty agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$250, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Liberty, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** Liberty, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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 market conduct investigation no. 336573.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Liberty.

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


I. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation on behalf of the Division and Liberty, respectively.

J. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.


K. **Effective Date.** This Stipulation shall not become effective until entry of an 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 order the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: September 7, 2022

  
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Teresa Kroll  
Chief Market Conduct Examiner  
Division of Insurance Market Regulation

DATED: 9/6/2022

  
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Marian A. Luongo  
Assistant Secretary  
Liberty Insurance Underwriters Inc.