



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
PERMANENT GENERAL ASSURANCE) Market Conduct Investigation No. 418175
CORPORATION (NAIC #37648))

ORDER OF THE DIRECTOR

NOW, on this 27th day of December, 2024, 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 Permanent General Assurance Corporation (NAIC #37648) (hereinafter “PGAC”), relating to the market conduct investigation no. 418175, does hereby issue the following orders:

This order, issued pursuant to § 374.046.15¹ and § 374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that the Director does hereby approve the Stipulation as agreed to by PGAC and the Division.

IT IS FURTHER ORDERED that PGAC 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, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

IT IS FURTHER ORDERED that PGAC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$6,000.00, 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 27th day of December, 2024.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
PERMANENT GENERAL ASSURANCE) **Market Conduct Investigation No. 418175**
CORPORATION (NAIC #37648))
)
)

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Permanent General Assurance Corporation (hereinafter “PGAC”), 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, PGAC has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of PGAC, investigation no. 418175; and

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

1. PGAC modified premium for uninsured motorist (hereinafter “UM”) and comprehensive coverages based on accidents or violations, in violation of §379.470¹ and 20 CSR 500-2.700.

2. PGAC reduced claim payments for UM coverage due to setoffs with claim payments issued under medical payments (hereinafter “MP”) coverage, and reduced claim payments for MP coverage due to setoffs with claim payments issued under UM coverage, in violation of §375.1007 (4), §375.1005, and

1 All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri

20 CSR 500-2.100 (2) (G) 1.

3. PGAC utilized policy language authorizing the setoffs referenced above which inaccurately represented relevant facts relating to the coverage at issue, in violation of §375.1007 (1) and §375.1005.

4. PGAC omitted to disclose in its policies on branded title vehicles that the vehicle will be valued lower in the event of a total loss than a similar vehicle without a branded title, implicating the provisions of §375.936 (6) (a).

5. PGAC did not disclose the services for which numerous fees were being charged, in violation of 20 CSR 700-1.150 (4).

WHEREAS, the Division and PGAC have agreed to resolve the issues raised in the 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.** PGAC 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. Such remedial actions shall include the following:

1. PGAC agrees to cease considering accidents in rating comprehensive and uninsured motorist coverages. This prohibition includes the use of Vehicle History Scores (“VHS”) to modify premium for comprehensive and uninsured motorist coverage based on vehicle condition where the condition of the vehicle resulted from an accident.

2. PGAC agrees to file with the Department revised factors for comprehensive and uninsured

motorist coverages reflecting that premium for these coverages will not be modified based on driving record of accidents or violations. The filing will be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

3. PGAC agrees to review all auto policies from January 1, 2022, to the date of the Order approving this Stipulation, to determine if premium for uninsured motorist or comprehensive coverage was increased as a result of an accident or violation, including through VHS. If premium was affected, PGAC agrees to issue a refund to the affected policyholder for the difference between the premium charged and the premium that would have been charged if the accident or violation was not considered. Interest, in an amount to be determined pursuant to §374.191, will be included with the refund payments. No refund is required to be issued if the amount of the refund check will be \$5.00 or less. A letter will also be included with the payment indicating that as a result of a Missouri Market Conduct Investigation, it was determined that a premium refund was due the policyholder. PGAC will provide the results of its review to the Division. PGAC agrees to file with the Department revised policy language prohibiting the utilization of setoffs to a) reduce UM claim payments based on claim payments issued under MP coverage and b) reduce MP claim payments based on claim payments issued under UM coverage. The filing will be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

4. PGAC agrees to review all auto policies from January 1, 2022, to the date of the Order approving this Stipulation, to determine a) if claim payments for UM coverage were reduced due to a setoff based on MP coverage payments, and b) if claim payments for MP coverage were reduced due to a setoff based on UM coverage payments. If claim payments were reduced, PGAC agrees to issue a refund to the affected claimant in the amount of the setoff. Interest, in an amount to be determined pursuant to

§374.191, will be included with the refund payments. No refund is required to be issued if the amount of the refund check will be \$5.00 or less. A letter will also be included with the payment indicating that as a result of a Missouri Market Conduct Investigation, it was determined that a premium refund was due the policyholder. PGAC will provide the results of its review to the Division.

5. PGAC agrees to file with the Department an amended definition of Actual Cash Value that clarifies that in the event of a total loss the value of a vehicle with a branded title will be lower than the value of a similar vehicle without a branded title. The filing will be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

6. PGAC agrees to file with the Department revised application forms which include descriptors explaining and describing all fees being charged to policyholders by the Company. The filing will be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

C. **Compliance.** PGAC agrees to file documentation pursuant to §374.190 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of the Stipulation, including the payment of refunds to policyholders.

D. **Voluntary Forfeiture.** PGAC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$6,000, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2, within fifteen (15) days of the date the Director of the Department (hereinafter “Director”) signs the Order approving this Stipulation.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by PGAC, 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.** PGAC, 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. 418175.

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

H. **Governing Law.** This Stipulation shall be governed 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 PGAC, 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. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by 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: December 26, 2024



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: __12/13/24_____

Nicole Brockman

Name: Nicole Brockman
Title: Director of Business Compliance
Permanent General Assurance Corporation