



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
TWIN CITY FIRE INSURANCE) **Market Conduct Investigation No. 412579**
COMPANY (NAIC #91-29459))

ORDER OF THE DIRECTOR

NOW, on this 24th day of September, 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 Twin City Fire Insurance Company (NAIC #91-29459) (hereinafter “Twin City”), relating to the market conduct investigation no. 412579, 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 Twin City and the Division.

IT IS FURTHER ORDERED that Twin City 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 Twin City shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$26,000.00, 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 24th day of September, 2024.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
TWIN CITY) **Market Conduct Investigation No. 412579**
FIRE INSURANCE COMPANY)
(NAIC # 91-29459))
)

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Twin City Fire Insurance Company (hereinafter “Twin City”), 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, Twin City 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 Twin City, investigation no. 412579; and

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

1. From July 17, 2021 to December 17, 2022, Twin City did not file a rule or policy form that explained the Policy Expense Fee would be retained in its entirety, and would not be refunded to insureds if the policy was cancelled mid-term, in violation of 20 CSR 500-4.100(1)(B) and 20 CSR 500-4.100(6).
2. Policy form number 8524 failed to disclose to insureds relevant information regarding the

cancellation conditions of the policy, in violation of § 375.936(6)(a) and § 375.934, RSMo.¹

3. From July 17, 2021 to December 17, 2022, Twin City issued cancellation letters and premium notices to insureds which did not disclose that the remainder of the Policy Expense Fee would be due at the time of cancellation, in violation of § 375.936(6)(a) and § 375.934.

WHEREAS, the Division and Twin City 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.** Twin City 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. Twin City agrees to conduct an audit of all policies that were cancelled mid-term from July 17, 2021, to December 17, 2022, to identify whether the Policy Expense Fee was not pro-rated. For policies where the Policy Expense Fee was not pro-rated, Twin City shall provide a list in a format acceptable to the Division of all affected policies within sixty (60) days of the date the Order is signed. Twin City further agrees to revise the premium calculated on the affected policies pro-rating the Policy Expense Fee and to issue a refund of the Policy Expense Fee that was retained above the pro-rated amount along with interest in accordance with § 374.191. Any refund issued shall be accompanied by a letter stating that as a result of a Missouri Market Conduct Investigation, it was

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

determined that a refund was owed.

2. Twin City agrees to submit a new policy form filing or amendatory endorsement that clearly explains to an insured how a premium refund will be calculated on a policy that is cancelled mid-term.

C. **Compliance.** Twin City agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, within sixty (60) days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** Twin City agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$26,000.00, 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. **Waivers.** Twin City, 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. 412579.

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

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

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 Twin City, 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: September 11, 2024



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: September 9, 2024



Name: Nikki Meek
Title: Chief Compliance Officer, Personal Lines
Twin City Fire Insurance Company