

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

**In Re:** )  
 )  
**AMERICAN NATIONAL PROPERTY ) Market Conduct Investigation #11102-28401-PC**  
**AND CASUALTY COMPANY. )**  
**(NAIC # 28401) )**  
 )  
**AMERICAN NATIONAL GENERAL ) Market Conduct Investigation #11101-39942-PC**  
**INSURANCE COMPANY )**  
**(NAIC #39942) )**

**ORDER OF THE DIRECTOR**

NOW, on this 8<sup>TH</sup> day of JANUARY, 2015, Director John M. Huff, after consideration and review of the market conduct investigation of American National Property and Casualty Company (NAIC #28401) and American National General Insurance Company (NAIC #39942) (hereinafter referred to collectively as "ANPAC") investigation numbers 11102-28401-PC and 11101-39942-PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190<sup>1</sup> and the Stipulation of Settlement and Voluntary Forfeiture ("Stipulation"), does hereby issue the following orders:

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

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

---

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

IT IS FURTHER ORDERED that American National Property and Casualty Company shall pay, and the Department of 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 FURTHER ORDERED that American National General Insurance Company shall pay, and the Department of Insurance, Financial Institutions and Professional Registration 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 8<sup>TH</sup> day of JANUARY, 2015.

  
John M. Huff  
Director



HAND  
CARRIED

RECEIVED  
JAN 08 2015  
MO. DEPT. OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION

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

In Re: )  
)  
AMERICAN NATIONAL PROPERTY ) Market Conduct Investigation #11102-28401-PC  
AND CASUALTY COMPANY. )  
(NAIC # 28401) )  
)  
AMERICAN NATIONAL GENERAL ) Market Conduct Investigation #11101-39942-PC  
INSURANCE COMPANY )  
(NAIC #39942) )

STIPULATION OF SETTLEMENT  
AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division"), American National Property And Casualty Company (NAIC #28401) and American National General Insurance Company (NAIC #39942) (hereinafter referred to collectively as "ANPAC"), 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, ANPAC has been granted certificates of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Division conducted a Market Conduct Investigation of ANPAC; and

WHEREAS, the Market Conduct Investigation revealed that:

1. ANPAC's CASHBACK return of savings benefit pursuant to its CASHBACK program is not included in ANPAC policies or in the endorsements attached to the policies in violation of §375.936 (9) (a)<sup>1</sup>;

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

2. ANPAC insured's enrolled in the CASHBACK program lose eligibility for a return of savings if there has been a paid claim, regardless of whether it is at-fault or not-at-fault in violation of §379.470.1 and 20 CSR 500-2.600 (1); and

3. ANPAC insured's enrolled in the CASHBACK program lose eligibility for a return of uninsured motorist and comprehensive coverage claim savings if there has been a paid claim resulting from an accident in violation of §379.470.1 and 20 CSR 500-2.700 (1).

WHEREAS, the Division and ANPAC 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 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. **Voluntary Action.** As a compromise to resolve disputed factual and legal allegations, ANPAC hereby agrees to incorporate the CASHBACK return of savings benefit, into policies that qualify for the CASHBACK program, either as a fully incorporated section within the policy or as an endorsement to the policy. ANPAC will file such policy/endorsement language with the Department within thirty (30) days following the entry of a final order to implement the provisions of this stipulation. Commencing no later than one hundred fifty (150) days from the date ANPAC makes such filing, ANPAC will:

1. commence incorporation of the CASHBACK language into each policy that qualifies for the program. The incorporation shall occur at the next renewal date for each applicable policy.

2. not deny CASHBACK eligibility to policyholders who file a claim for automobile insurance benefits as a result of a subsequent no-fault accident, and

3. not deny CASHBACK eligibility to policyholders who file a claim for uninsured motorist or comprehensive coverage as a result of a subsequent automobile accident.

C. **Compliance.** ANPAC agrees to file documentation with the Division within One Hundred Eighty (180) days of the entry of a final order of any action taken to implement compliance

with the terms of this stipulation.

D. **Voluntary Forfeiture.** American National Property And Casualty Company agrees, voluntarily and knowingly, to surrender and forfeit the sum of Four Thousand Dollars (\$4,000), and American National General Insurance Company also agrees, voluntarily and knowingly, to surrender and forfeit the sum of Four Thousand Dollars (\$4,000), for a total of Eight Thousand Dollars (\$8,000) payable to the Missouri State School Fund, in accordance with §374.280.

E. **Other Penalties.** The Division agrees that it will not seek penalties against ANPAC, other than those agreed to in this Stipulation, for the conduct found in Market Conduct Investigations 11102-28401-PC and 11101-39942-PC.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by ANPAC, 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. **Waivers.** ANPAC, 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 Investigations.


H. **Changes.** No changes to this stipulation shall be effective unless made in writing and agreed to by all signatories to the stipulation.

I. **Governing Law.** This Stipulation of Settlement and Voluntary Forfeiture 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 authorized to sign this Stipulation of Settlement and Voluntary Forfeiture.

K. **Effect of Stipulation.** This Stipulation of Settlement and Voluntary Forfeiture shall not become effective until entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.


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

DATED: 1-6-2015   
Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: 1-6-15   
Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: 12-30-2014   
President  
American National Property And Casualty  
Company

DATED: 12-30-2014   
President  
American National General Insurance Company

DATED: 1-7-2015   
Richard S. Brownlee III  
Attorney for American National Property  
And Casualty Company and for American  
National General Insurance Company