



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
CATLIN INSURANCE COMPANY) **Market Conduct Investigation No. 317707**
(NAIC #19518))

ORDER OF THE DIRECTOR

NOW, on this 19th day of April, 2021, 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 Catlin Insurance Company (NAIC #19518) (hereinafter "Catlin"), relating to the market conduct investigation no. 317707, does hereby issue the following orders:

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

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

IT IS FURTHER ORDERED that Catlin shall not engage in any of the violations of law 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.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended, or to the Code of State Regulations, 2020, as amended.

IT IS FURTHER ORDERED that Catlin shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$500.00, 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 19th day of April, 2021.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
CATLIN INSURANCE COMPANY) **Market Conduct Investigation**
(NAIC #19518)) **No. 317707**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Catlin Insurance Company (NAIC #19518) (hereinafter “Catlin”), 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, Catlin 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 Catlin, investigation #317707; and

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

1. Catlin used unfiled rates for 13 private/personal casualty aircraft policies in violation of §379.321.1.¹
2. Catlin did not submit an Exhibit B consent to rate filing for 13 private/personal

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.

casualty aircraft policies in violation of §379.321.1 and 20 CSR 500-4.300 (2) (A).

3. Catlin rated two commercial casualty aircraft policies applying base rate modification factors exceeding + or – 25% in violation of §379.318 (4), 379.321.6 (10) and 20 CSR 500-4.100 (7) (A).

WHEREAS, the Division and Catlin 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.** Catlin has represented to the Division that it voluntarily exited the aviation insurance market in 2016, that no aircraft policies were issued in Missouri after 2016 and that all runoff business terminated by the end of 2017. Catlin has also represented that it has no immediate plans to re-enter the aviation market in Missouri. Catlin agrees that in the event it should re-enter the aviation market in Missouri at a future date, it will take remedial actions bringing it into compliance with the statutes and regulations of Missouri and agrees that it will maintain such remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. Catlin agrees to utilize only filed rates and rate factors (which does not include rate ranges) for private/personal casualty aircraft policies with Missouri risks.
2. Catlin agrees to file with the Department an Exhibit B consent to rate form on a

monthly basis for any private/personal casualty aircraft policies with Missouri risks where the rates deviate from the filed rates.

3. Catlin agrees that it will not utilize individual risk premium modification (“IRPM”) or scheduled rating factors that exceed + or – 25% on commercial casualty aircraft policies with Missouri risks.

C. **Notice and Compliance.** Catlin agrees to provide a minimum of 60 days’ notice to the Division prior to re-entering the aviation market in Missouri, and to file documentation with the Division, in a format acceptable to the Division, within 90 days of that notice of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Ongoing Investigation.** Catlin agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by Catlin pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** Catlin agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500.00 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Catlin, 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.** Catlin, 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 investigation.

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

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

K. **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 and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

L. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director approving this Stipulation.

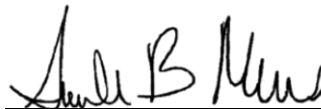
M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 4-13-2021



Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 4/2/21



Sarah B. Mims
Catlin Insurance Company
General Counsel
U.S. Insurance