

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

In Re:)
)
GREAT NORTHERN INSURANCE) **Market Conduct Investigation**
COMPANY (NAIC #0038-20303)) **No. 14008-20303-PC**

ORDER OF THE DIRECTOR

NOW, on this 14 day of June, 2017, 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 Great Northern Insurance Company (NAIC #0038-20303) (hereinafter “Great Northern”), relating to the market conduct investigation number 14008-20303-PC conducted by the Division pursuant to §374.190¹, does hereby issue the following orders:

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

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

IT IS FURTHER ORDERED that Great Northern shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place Great Northern 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 Missouri Revised Statutes 2000, as amended.

IT IS FURTHER ORDERED that Great Northern shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, 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 14 day of June, 2017.



Chlora Lindley-Myers
Director



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COMPANY (NAIC #0038-20303)) **No. 14008-20303-PC**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance and Market Regulation (hereinafter, "the Division") and Great Northern Insurance Company (NAIC #0038-20303) (hereinafter, "Great Northern"), 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 the laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, Great Northern 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 Great Northern; and

WHEREAS, based on the Market Conduct Investigation the Division alleged:

1. Great Northern utilized schedule rating factors for coverage of jewelry valued at over \$100,000 in non-commercial valuables policies in violation of §379.321 and 20 CSR 500-4.100(7).

WHEREAS, the Division and Great Northern 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. Remedial Action. Great Northern agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably assure that the errors noted in the Market Conduct Investigation do not recur. Such remedial actions shall include, but not limited to, the following:

1. Great Northern agrees to adhere to their filed rates and agrees not to utilize schedule rating or individual risk factors not contained in a filing for non-commercial policies.

C. Compliance. Great Northern agrees to file documentation with the Division within ninety (90) days of the entry of a final order of all remedial action taken to implement compliance with the terms of this stipulation.

D. Voluntary Forfeiture. Great Northern agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500.00, which such sum payable to the Missouri State School Fund in accordance with §374.280.

E. Waivers. Great Northern, 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.

F. Non-Admission. Nothing in this Stipulation shall be construed as an admission by Chubb, 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. **Changes.** No changes to this Stipulation of Settlement and Voluntary Forfeiture shall be effective unless made in writing and agreed to by all signatories to the stipulation.

H. **Governing Law.** This Stipulation of Settlement and Voluntary Forfeiture 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 of Settlement and Voluntary Forfeiture, on behalf of the Division and Great Northern respectively.

J. **Effect of Stipulation.** This Stipulation of Settlement and Voluntary Forfeiture shall become effective only upon entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter, "Director") approving this Stipulation of Settlement and Voluntary Forfeiture.

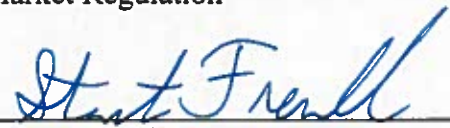
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation of Settlement and Voluntary Forfeiture and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 6/8/2017



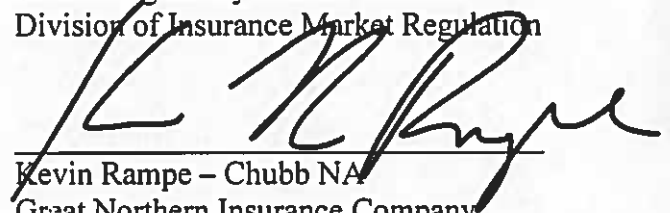
Angela Nelson
Director, Division of Insurance
Market Regulation

DATED: 6/12/2017



Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 5/25/2017



Kevin Rampe – Chubb NA
Great Northern Insurance Company