

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

In Re:)
)
PRAETORIAN INSURANCE) **Market Conduct Investigation**
COMPANY (NAIC #0796-37257)) **No. 13105-37257-PC**

ORDER OF THE DIRECTOR

NOW, on this 23rd day of February, 2018, Director, Chlora Lindley-Myers, after consideration and review of the market conduct investigation of Praetorian Insurance Company (NAIC #50050) (hereinafter "Praetorian") investigation number 13105-37257-PC, conducted by the Division of Insurance Market Regulation (hereinafter "Division") pursuant to §374.190¹ and the Stipulation of Settlement and Voluntary Forfeiture (hereinafter "Stipulation") entered into by the Division and Praetorian, does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo and §374.280 is in the public interest.

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

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

IT IS FURTHER ORDERED that Praetorian shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$27,000.00, 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 23rd day of February, 2018.


Chlora Lindley-Myers
Director



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

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STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Praetorian Insurance Company (NAIC #37257) (hereinafter referred to as "Praetorian"), 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, Praetorian has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

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

WHEREAS, based on the Market Conduct Investigation of Praetorian, the Division alleges that:

1. In eleven (11) instances, an audit was completed and billed more than 120 days from the expiration date of the policy in violation of § 287.955.1¹ and 20 CSR 500-6.500(2)(A);
2. In eighty-six (86) instances, Praetorian estimated premium at final audit due to an uncooperative insured in violation of §287.955; and

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

3. In one (1) instance, Praetorian calculated the Administrative Surcharge in error in violation of §287.716, §287.717, and §287.310.

WHEREAS, the Division and Praetorian 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. Praetorian 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 be limited to, the following:

1. Praetorian agrees that audits on workers compensation insurance policies with Missouri premium or exposure will be completed, billed and premiums returned within 120 days of policy expiration or cancellation unless a) a delay is caused by the policyholder's failure to respond to reasonable audit requests provided that the requests are timely and adequately documented or b) a delay is by the mutual agreement of the policyholder and North Pointe provided that the agreement is adequately documented.

2. Praetorian agrees to ensure that its procedures for determining final premium comply with NCCI rule 02-MO-2013.

3. Praetorian agrees to make payment to the Administrative Surcharge Fund in the amount of \$1,120.00 for an underpayment relating to policy #AWC0900001, together with any interest or penalties or amended filings required by the Premium Tax Section.

C. **Compliance.** Praetorian agrees to file documentation with the Division within 30 days of the entry of a final order of all remedial action taken to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190

D. **Voluntary Forfeiture.** Praetorian agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$27,000, with such sum payable to the Missouri State School Fund in accordance with § 374.280, RSMo. Supp. 2013.

E. **Waivers.** Praetorian, 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. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Praetorian.

G. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

H. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Praetorian respectively.

I. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

J. **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: 2-23-2018



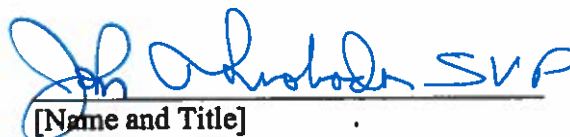
Angela Nelson
Director, Division of Insurance
Market Regulation

DATED: 2-23-2018



Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 1-19-18



[Name and Title]
Praetorian Insurance Company