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

In Re: )
) ) Market Conduct Investigation
REGENT INSURANCE COMPANY ) No. 13106-24449-PC
(NAIC #0796-24449) )

ORDER OF THE DIRECTOR

NOW, on this 31st day of January, 2019, 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 Regent Insurance Company (NAIC #24449) (hereinafter “Regent”), relating to the market conduct investigation set out in the caption above, 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 Regent and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Regent 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.

IT IS FURTHER ORDERED that Regent shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of $47,500 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 31st day of January, 2019.

Chlora Lindley-Myers
Director

1 All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.
IN THE DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI

In Re:)
)
REGENT INSURANCE COMPANY  )  )
(NAIC #0796-24449)  )  Market Conduct Investigation
(NAIC #24449)  )  No. 13106-24449-PC

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Regent Insurance Company (NAIC #24449) (hereinafter “Regent”), 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, Regent 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 Regent; and

WHEREAS, the Market Conduct Investigation revealed that:

1. In forty-nine (49) instances, an audit was completed and billed more than 120 days from the expiration date of the policy in violation of §287.955.1\(^1\) and 20 CSR 500-6.500(2)(A);

2. In ten (10) instances, Regent estimated premium at final audit in violation of §287.955;

3. Between 2009 and October 1, 2012, Regent offered both participating and non-participating plans to policyholders in violation of §287.932.1 and 20 CSR 500-6.100(8).

4. In two (2) instances, Regent calculated the Second Injury Fund Surcharge for

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\(^1\) All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.
deductible policies in error in violation of §287.715 and §287.310.

5. In two (2) instances, Regent failed to calculate the Administrative Surcharge correctly in violation of §287.716, §287.717, and §287.310.

WHEREAS, the Division and Regent 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. Regent 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. Regent 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 Regent provided that the agreement is adequately documented.

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

3. Regent agrees that any dividend plans provided on workers compensation insurance policies written in Missouri with Missouri as the primary risk state will be offered to all workers compensation insurance policyholders in a non-discriminatory manner.
4. Regent agrees that it will not offer both participating and non-participating plans on policies written in Missouri with Missouri as the primary risk state.

5. Regent agrees that for all policies written in a state other than Missouri, it shall inform or indicate to policyholders that Missouri’s portion of earned premium will not be used in the dividend calculation.

C. Compliance. Regent 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. Non-Admission. Nothing in this Stipulation shall be construed as an admission by Regent, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced Market Conduct Investigation.

E. Fees. Regent agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and C of this Stipulation.

F. Voluntary Forfeiture. Regent agrees, voluntarily and knowingly, to surrender and forfeit the sum of $47,500, with such sum payable to the Missouri State School Fund in accordance with §374.049.11 and §374.280.2.

G. Other Penalties. The Division agrees that it will not seek penalties against Regent, other than those agreed to in this Stipulation, for the conduct found in Market Conduct Investigation 13106-24449-PC.

H. Waivers. Regent, 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.

I. Changes. No changes to this Stipulation shall be effective unless made in writing
J. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

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

L. **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.

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: **1/30/2019**  
Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: **1/30/2019**  
Stewart Freilich  
Chief Market Conduct Examiner and Senior Counsel  
Division of Insurance Market Regulation

DATED: **1/10/19**  
Jose Gonzalez  
Chief Legal Officer  
Regent Insurance Company