



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:

ARCH INSURANCE COMPANY
(NAIC #11150)

Market Conduct Investigation No. 421696

ORDER OF THE DIRECTOR

NOW, on this 15th day of July, 2025, Director Angela L. Nelson, 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 Arch Insurance Company (NAIC #11150) (hereinafter "Arch"), relating to the market conduct investigation no. 421696, does hereby issue the following orders:

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

IT IS THEREFORE ORDERED that the Director does hereby approve the Stipulation as agreed to by Arch and the Division.

IT IS FURTHER ORDERED that Arch shall not engage in any of the violations of statutes 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, shall 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.

IT IS FURTHER ORDERED that Arch shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,000.00, 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 15 day of July, 2025.




Angela L. Nelson
Director

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

In Re:

**Arch Insurance Company
(NAIC # 11150)**

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Market Conduct Investigation No. 421696

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Arch Insurance Company (hereinafter “Arch”), 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, Arch 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 Arch, investigation no. 421696;

WHEREAS, Arch hereby states that there were extraordinary events affecting travel and the travel industry (airline operational issues, Covid outbreaks, revenge travel and severe summer storms) that increased the claims volume to unprecedented levels during the exam period; and

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

1. In 10 of 11 reviewed claim files, Arch did not advise the insured of the acceptance or denial of the claim within 15 working days, implicating the provisions of § 375.1007(3) and in violation of 20 CSR 100-1.050(1)(A), RSMo.¹

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

2. In 6 of the 11 reviewed claim files, Arch did not provide an appropriate reply within 10 working days that reasonably suggests a response is expected, implicating the provisions of § 375.1007(2) and in violation of 20 CSR 100-1.030(1)(B).

3. In 6 of the 11 reviewed claim files, Arch did not maintain a copy of all written communication to show clearly the state of progress of each claim, in violation of § 374.205 and 20 CSR 100-8.040(3)(B).

4. In 9 of the 11 reviewed claim files, Arch did not send 45-day status letters setting forth the reasons additional time was needed to investigate the claim, implicating the provisions of § 375.1007(3) and in violation of 20 CSR 100-1.050(1)(C).

5. Arch failed to maintain a complete record of all complaints received that captures the earlier of the date received by Arch or its Third Party Administrator, in violation of §§ 375.936(3) and 375.934.

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. Arch agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. Arch agrees to revise its claim handling guidelines for travel insurance claims to ensure they provide clear direction to Third Party Administrators (“TPAs”), adjusters, or any other entity adjudicating Missouri claims on its behalf of required timeframes and notifications regarding the status of a claim contained in Missouri statutes and regulations, including but not limited to, §375.1007, 20 CSR 100-1.030 and 20 CSR 100-1.050. A copy of the revised guidelines shall be provided to the Division for approval within 30 days of the date of the Order approving this Stipulation and the revised guidelines shall be

implemented within 30 days following the Division's approval.

2. Arch agrees to pay interest pursuant to § 374.191 on all claim payments identified in Finding 1 in which a delay in the processing and settlement of the claim occurred. A letter will be included with each payment stating that, as a result of a Missouri Market Conduct Investigation, it was determined that the insured was entitled to an additional claim payment. Arch will provide the Division with a copy of this letter, as well as documentation of additional payments issued in a format acceptable to the Division.

3. Arch agrees to maintain all Missouri travel insurance claim files to clearly show the inception, handling, and disposition of the claim, including maintenance of documents for written communications sent to insureds and claimants.

4. Arch agrees to ensure that the complaint log records the accurate date for when a complaint is received from a consumer, by either Arch or a TPA, so the complaint processing time can be determined.

5. Arch agrees to conduct two audits of the claims practices of all entities, including third-party entities, adjudicating Missouri travel insurance claims to review for compliance with Missouri law, including but not limited to § 375.1007 and regulations 20 CSR 100-1.010 through 20 CSR 100-1.050 and 20 CSR 100-8.040(3)(B). The first audit shall be conducted six months from the date of the Order approving this Stipulation, and the second audit shall be conducted 12 months from the date of the Order approving this Stipulation. Arch shall provide documentation of the audit and a report of its audit findings in a format acceptable to the Division within 30 days after completion of each audit period.

C. **Compliance.** Arch agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, of any remedial action taken to implement compliance with the terms of this Stipulation, including the payment of refunds to claimants. Arch agrees to provide such documentation within thirty (30) days of the entry of the Order approving this Stipulation unless otherwise specified in Section B above.

D. **Voluntary Forfeiture.** Arch agrees, voluntarily and knowingly, to surrender and forfeit

the sum of \$1,000.00, payable to the Missouri State School Fund, in accordance with §§ 374.049.11 and 374.280.2, within fifteen (15) days of the date the Director of the Department (hereinafter, “Director”) signs an Order approving this Stipulation (hereinafter, “Order”).

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Arch, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** Arch, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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 market conduct investigation no. 421696.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and Arch.

H. **Governing Law.** This Stipulation 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, on behalf of the Division and Arch, respectively.

J. **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 by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.

L. **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: June 27, 2025

Teresa Kroll
Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 6/16/2025

Linda Fallon
Signed by:
9232C8CF6E6C4B3
Name: Linda Fallon
Title: Executive Vice President
Arch Insurance Company