



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:

JEFFERSON INSURANCE
COMPANY (NAIC #11630)

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)
) **Market Conduct Investigation No. 421686**
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ORDER OF THE DIRECTOR

NOW, on this 5th day of August, 2025, Director Angela L. Nelson, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and Jefferson Insurance Company (NAIC #11630) (hereinafter "Jefferson"), relating to the market conduct investigation no. 421686, 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 Jefferson and the Division.

IT IS FURTHER ORDERED that Jefferson 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 SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 5th day of August, 2025.



Angela L. Nelson
Angela L. Nelson
Director

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

In Re:

**Jefferson Insurance Company
(NAIC # 11630)**

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Market Conduct Investigation No. 421686

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Jefferson Insurance Company (hereinafter “Jefferson”), 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, Jefferson 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 Jefferson, investigation no. 421686; and

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

1. In three claim files, Jefferson did not implement reasonable standards for prompt investigation and settlement of claims, implicating the provisions of § 375.1007(3), RSMo.¹
2. In two claim files, Jefferson did not provide an appropriate reply within ten working days, implicating the provisions of § 375.1007(2) and in violation of 20 CSR 100-1.030(1)(B).
3. In five claim files, Jefferson did not notify the insured of the acceptance or denial of the claim within 15 working days of receiving the claim, implicating the provisions of § 375.1007(3) and in violation

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

of 20 CSR 100-1.050(1)(A).

4. In five claim files, Jefferson did not notify the insured within 15 working days of receiving the claim or 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. In one claim file, Jefferson did not effectuate the prompt settlement of claims in which liability had become reasonably clear, implicating the provisions of § 375.1007(4).

6. In one claim file, Jefferson did not maintain all policy records for each claim file and did not maintain the claim file to show clearly the inception, handling, and disposition of each claim, in violation of § 374.205.2(2) and 20 CSR 100-8.040(3)(B).

A. **Scope of Agreement.** This Stipulation of Settlement (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.** Jefferson 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. Jefferson 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. The revised guidelines shall be implemented within 30 days of the date of the Order approving this Stipulation, and a copy of the revised guidelines shall be provided to the Division

prior to implementation.

2. Jefferson 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, as well as communications received, in compliance with § 374.205.2(2) and 20 CSR 100-8.040(3)(B).

3. Jefferson agrees to conduct its insurance business in compliance with applicable Missouri statutory and regulatory claims requirements, including but not limited to §§ 375.1007(2), 375.1007(3), 375.1007(4), 20 CSR 100-1.030(1)(B), 20 CSR 100-1.050(1)(A), 20 CSR 100-1.050(1)(C), and any legal provisions specifically identified in the findings of this Stipulation as having been violated or implicated. Jefferson shall ensure that any third-party vendor adjudicating claims on behalf of Jefferson will also comply with these requirements.

4. For a period of one year after the date of the Order approving this Stipulation, Jefferson agrees to conduct two semi-annual audits of at least 50 random claim files closed at the end of each audit period for each third-party entity adjudicating Missouri travel insurance claims for compliance with Missouri statutes and regulations, including but not limited to, § 375.1007, 20 CSR 100-1.010 through 20 CSR 100-1.050, and 20 CSR 100-8.040(3)(B), as well as the requirements in remedial actions 1 through 3. The first audit period will begin on the date of the Order adopting this Stipulation and continue for six months. The second audit period will begin the day after the previous audit period ended and continue for six months. Jefferson agrees to reprocess any claims identified in the audits that were not settled or paid according to Missouri law or did not meet the requirements of the remedial actions together with interest pursuant to § 374.191. Jefferson shall report the results of each audit including reprocessed claims along with supporting evidence as requested by the examiners within 60 days of the end of the audit period.

5. Jefferson 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 has occurred. A letter shall 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. Jefferson shall provide the Division with a copy of this letter, as well as documentation of additional payments issued, in a format acceptable to the Division.

C. **Compliance.** Jefferson agrees to file documentation pursuant to § 374.190 with the Division, in a manner 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. Jefferson 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. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Jefferson, 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. **Waivers.** Jefferson, 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. 421686.

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

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 Jefferson, respectively.

I. **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.

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

K. **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: _____

8-1-25



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: _____

7/26/2025

DocuSigned by:



Name: Jeffrey Wright
Title: President
Jefferson Insurance Company

DATED: _____

7/24/2025

Signed by:



Name: Diane Babson
Title: Vice President, Treasurer & Assistant Secretary
Jefferson Insurance Company