

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

In Re:)
)
PRAETORIAN INSURANCE COMPANY) **Market Conduct Investigation**
(NAIC #37257)) **No. 333601**

ORDER OF THE DIRECTOR

NOW, on this 22nd day of August, 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 Praetorian Insurance Company (NAIC #37257) (hereinafter “Praetorian”), 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 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 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 Praetorian 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 22nd day of August, 2019.



Chlora Lindley-Myers
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 “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 of 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, investigation #333601; and

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

1. In 30 instances, Praetorian failed to send or failed to timely send a letter of explanation in writing to the insured explaining why the claim file remained open more than 45 days after initial notification in violation of 20 CSR 100-1.050(1)(C), §375.1005, §375.1007(4), and §375.1007(7).

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 those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Praetorian agrees that if more time is needed to determine whether a claim should be accepted or denied, it will notify the first party claimant setting forth such reasons for additional time. If the investigation remains incomplete, Praetorian agrees to continue to provide notification to the claimant as provided in 20 CSR 100-1.050(1)(C).

2. Praetorian has represented to the Division that it has provided additional training to all claim professionals handling property claims, has enhanced its procedures regarding notification requirements, and will conduct periodically audits to ensure compliance with 20 CSR 100-1.050(1)(C). Praetorian agrees to continue these practices and procedures at all times going forward.

C. **Compliance.** Praetorian agrees to file documentation with the Division, in a format acceptable to the Division, within 30 days of the entry of a final order of any remedial action taken pursuant to Paragraph B 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 \$500.00 such sum payable to the Missouri State School Fund, in accordance with §374.280.

E. **Other Penalties.** The Division agrees that it will not seek penalties against Praetorian, other than those agreed to in this Stipulation, in connection with Market Conduct Investigation #333601.

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

G. **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 Market Conduct Investigation #333601.

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

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

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

K. **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.

L. **Effect of Stipulation.** This Stipulation shall not become effective until 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: 8/19/2019

Angela L. Nelson
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 8/9/2019

Stewart Freilich
Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel

DATED: 8/8/19

Anna Bielak AVP Claims Compliance
[NAME and TITLE]
Praetorian Insurance Company