



## DEPARTMENT OF COMMERCE & INSURANCE

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

*In Re:*

PROGRESSIVE MAX INSURANCE  
COMPANY (NAIC # 24279)

)  
)  
)  
)

Market Conduct Examination No. 360267

### ORDER OF THE DIRECTOR

NOW, on this 18<sup>th</sup> day of June, 2025, Director Angela L. Nelson, after consideration and review of the market conduct examination report of Progressive Max Insurance Company (NAIC #24279) (hereinafter "PMIC"), examination report number #360267, prepared and submitted by the Division of Insurance Market Regulation (hereinafter "Division") pursuant to §374.205.3(3)(a)<sup>1</sup>, does hereby adopt such report as filed. After consideration and review of the Stipulation of Settlement and Voluntary Forfeiture ("Stipulation"), relating to the market conduct examination #360267, the examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4). The Director does hereby issue the following orders:

This order, issued pursuant to §374.205.3(4) and §374.046.15 RSMo, is in the public interest.

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

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.


**IT IS FURTHER ORDERED** that PMIC 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.

**IT IS FURTHER ORDERED** that PMIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$4,000.00, 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 18th day of June, 2025.



  
\_\_\_\_\_  
Angela L. Nelson  
Director

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

*In Re:* )  
 )  
**PROGRESSIVE MAX INSURANCE** ) **Market Conduct Examination No. 360267**  
**COMPANY (NAIC # 24279)** )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Progressive Max Insurance Company (NAIC #24279) (hereinafter “PMIC”), 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**, PMIC 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 examination of PMIC, Examination No. 360267; and

**WHEREAS**, based on the claims review section of the market conduct examination of PMIC the Division alleges that:

1. In seven instances, PMIC did not provide an appropriate reply within 10 working days to a communication, in violation of §375.1007 (2)<sup>1</sup>, §375.1005 and 20 CSR 100-1.030 (1) (B).

2. In one instance, PMIC did not retain a copy of a signed bodily injury release in its claim file, in violation of §374.205.2 (2) and 20 CSR 100-8.040 (3) (B) 1.

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

3. In one instance, PMIC did not maintain a copy of a Missouri sales tax affidavit in its claim file, in violation of §374.205.2 (2) and 20 CSR 100-8.040 (3) (B) 3.

4. In three instances, PMIC did not inform first party claimants that damaged child car seats were covered under Collision Coverage and that injuries to minor insured passengers were covered under Medical Payments or Uninsured Motorist Coverages, in violation of §375.1007 (1), §375.1005 and 20 CSR 100-1.020 (1) (A).

5. In two instances, PMIC did not inform a first party claimant of applicable Medical Payments coverage and indicated there was no Medical Payments coverage available in an Explanation of Benefits, in violation of §375.1007 (1), §375.1005 and 20 CSR 100-1.020 (1) (A).

6. In one instance, PMIC did not identify or contact the legal guardian of minor insured passengers in reference to possible injuries, in violation of §375.1007 (4) and §375.1005.

7. In four instances, PMIC did not include all optional equipment on an insured's vehicle in total loss settlements, in violation of §375.1007 (4) and §375.1005.

8. In one instance, PMIC did not conduct a reasonable investigation of claims made for a damaged car seat or a damaged cell phone, implicating the provisions of §375.1007 (6) and in violation of §375.1007 (3) and §375.1005.

9. In eight instances, PMIC incorrectly categorized the condition of the insured's vehicle in total loss settlements, in violation of §375.1007 (3), §375.1007 (4) and §375.1005.

10. In 14 instances, PMIC did not include identifying information for comparable vehicles used in calculating total loss settlements in violation of §375.1007 (3) & (4), §375.1005, 374.205.2 (2) and 20 CSR 100-8.040 (3) (B) 1.

11. In 18 instances, PMIC did not itemize depreciation deductions in total loss settlements, in violation of §375.1007 (3) and §375.1005.

12. In five instances, PMIC did not document the basis of salvage quotes for owner retained

settlements, in violation of §375.1007 (3), §375.1005, 20 CSR 100-8.040 (2) and 20 CSR 100-8.040 (3) (B).

13. PMIC did not include a required disclosure when preparing estimates based on the use of automobile parts not made by the original equipment manufacturer in violation of §375.1007 (3), §375.1007 (4), §375.1005 and 20 CSR 100-1.050 (2) (D) 2.

14. In one instance, PMIC did not provide a reasonable and accurate explanation for non-payment of medical bills sent on behalf of an injured insured guest passenger, implicating the provisions of §375.1007 (12) and in violation of 20 CSR 100-1.050 (1) (A).

15. In one instance, PMIC did not send a 45 day notification letter notifying the insured of the reasons that more time was required for investigation of the claim, implicating the provisions of §375.1007 (3) and in violation of 20 CSR 100-1.030 (1) (B).

16. In one instance, PMIC misinformed an insured that the Loan/Lease Payoff Coverage was available at the inception of the policy purchase, during subsequent renewals and when the insured reported a loss, implicating the provisions of §375.1007 (1).

**WHEREAS**, the Division and PMIC 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.** PMIC 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. PMIC agrees that where a sales tax affidavit has been issued to a total loss claimant, it will maintain a copy of the affidavit in the claim file.

2. PMIC agrees to document conditioning scores in its claim files with clarity and specificity as required by 20 CSR 100-8.040 (3) (B). PMIC agrees that when a motor vehicle total loss is valued, the determination of the actual cash value of the total loss vehicle must be supported by documentation maintained in the claim file. PMIC also agrees that the documentation shall be in sufficient detail and clear enough for the adjuster to explain the adjustments and to show how each of the adjustments was calculated for the comparable vehicles to the insured and to the Department if necessary. PMIC further agrees that any adjustment in the value shall be itemized, measureable, verifiable, and appropriate in amount pursuant to 20 CSR 100-1.050(2)(E). The basis for any adjustment in settlement shall be maintained in writing in PMIC's claim file.

3. PMIC agrees to reimburse all claimants for underpayments identified in the exam report that have not already been reimbursed. These include all headliner claims, the claim relating to Finding 10 Claim Number xxxx7135, and the claims relating to Finding 11 Claim Numbers xxxx9221 and xxxx2951. Payment of interest, pursuant to §374.191 will be included with the reimbursement of the underpayment. A letter will be included indicating that as a result of a Missouri Market Conduct Examination it was discovered that additional payments were owed on the claim.

4. PMIC agrees that in assessing the value of total loss vehicles, it will categorize the condition of the vehicle based on the evidence contained in the claim file and will only accept the adjuster's real-time determination if that determination is supported by documentary evidence contained in the claim file.

5. PMIC agrees that it will include all inputs and other documentation in the claim file needed to determine how salvage value was calculated.

6. PMIC agrees that upon written request of the Department made in connection with a market conduct examination or investigation, it will work with its vendors to provide the Department with the full Vehicle Identification Number (VIN) and place of sale of comparable vehicles utilized by PMIC or its contractors, in connection with total loss claims, for determining the value of a total loss vehicle.

7. PMIC agrees to disclose to first party claimants all pertinent benefits, coverages, or other provisions of an insurance policy under which a claim is presented.

8. PMIC agrees that it will include all optional equipment on vehicles in determining valuations on total loss settlements.

9. PMIC agrees to retain copies of all claim denial letters in its claim files.

10. PMIC agrees to send a written denial letter referencing a specific policy provision, condition, or exclusion when a first party claim is denied on the grounds of a specific policy provision, condition, or exclusion.

11. PMIC agrees to include the disclosure required by 20 CSR 100-1.050 (2) (D) 2 when preparing estimates based on the use of automobile parts not made by the original equipment manufacturer.

12. PMIC agrees that going forward, as long as it utilizes Mitchell as a third party vendor, it will follow both the PMIC's and Mitchell's guidelines and condition deductions for headliners as outlined by the PMIC and Mitchell's guidelines and training.

C. **Compliance.** PMIC agrees to file documentation pursuant to section 374.205 with the Division, in a format acceptable to the Division, within 60 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

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

forfeit the sum of \$4,000, such sum 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 the Order approving this Stipulation.

E. **Effect of this Stipulation.** This stipulation fully resolves all issues contained in the claims portion of examination no. 360267. Examination of all other issues authorized by the Examination Warrant signed by the Director remains ongoing, and neither the Department nor PMIC waive any legal rights, claims or defenses relating to the ongoing portions of the examination.

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

G. **Waivers.** PMIC, 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 examination no.360267 .

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

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 PMIC, respectively.

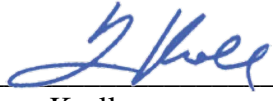
K. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.




L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter “Director”) approving this Stipulation.

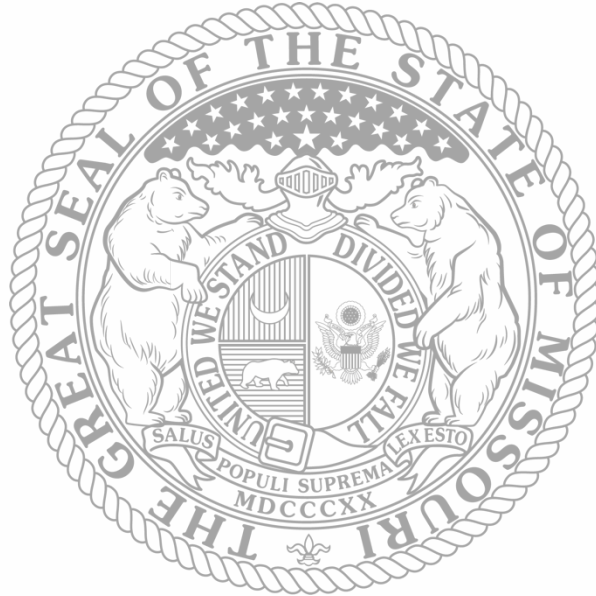
M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: June 13, 2025

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

DATED: 6/9/2025

  
\_\_\_\_\_  
Gregory E. Schwartz  
Assistant General Counsel  
Progressive Max Insurance Company



**MARKET CONDUCT EXAMINATION REPORT**  
of the Property and Casualty Business of

**Progressive Max Insurance Company**  
**NAIC # 24279**

Home Office:  
6300 Wilson Mills Road  
Mayfield Village, OH 44123

Missouri Examination # 360267

Covering the Time Period of  
January 1, 2017 through December 31, 2019

**Claims Portion of the Examination Only**

**DIVISION OF INSURANCE MARKET REGULATION**  
**DEPARTMENT OF COMMERCE & INSURANCE**  
**STATE OF MISSOURI**

JEFFERSON CITY, MISSOURI



## Division of Insurance Market Regulation

June 12, 2025

Angela L Nelson, Director  
Missouri Department of Commerce and Insurance  
301 West High Street, Room 530  
Jefferson City, Missouri 65101

Director Nelson:

In accordance with the market conduct examination warrant and in compliance with the statutory requirements of the State of Missouri, a targeted market conduct examination has been conducted of the specified lines of insurance and business practices of:

### **Progressive Max Insurance Company (NAIC #24279)**

This examination was conducted as a desk examination at the offices of the Missouri Department of Commerce and Insurance (DCI) in Jefferson City, by the following DCI staff market conduct team members:

Shelly Herzing, Market Conduct Examiner-in-Charge  
Darren Jordan, Market Conduct Examiner  
Tad Herin, Market Conduct Examiner  
Andrew Cope, Market Conduct Examiner

The examination results are contained in the attached report for your consideration. The report provides the scope of the examination, summarizes the applicable NAIC Market Regulation Handbook standards, testing performed, and lists the findings identified in reviews.

The Market Conduct team thanks you for the opportunity to serve the Missouri Department of Commerce and Insurance and the citizens of the great State of Missouri in conducting this examination.

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Kroll".

Teresa Kroll  
Chief Examiner, Market Conduct  
Missouri Department of Commerce and Insurance



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## **FOREWORD**

The following is a Market Conduct Examination Report performed by DCI staff market conduct examiners in the Market Conduct Section of the Division of Insurance Market Regulation. The Division of Insurance Market Regulation is an area of the Department of Commerce and Insurance that is statutorily required to perform the functions of rate and form regulation and monitor marketplace activity in addition to other functions assigned by the Director. The Market Conduct Section is tasked with the responsibility of ensuring equitable treatment of Missouri policyholders and review of insurer's documents and behavior in the market for compliance with Missouri statutes and regulations. One mechanism for performing this duty is to conduct a market conduct examination. Based on information obtained through market analysis, the Director of the Missouri Department of Commerce and Insurance determined the market activities of Progressive Max Insurance Company warranted additional scrutiny and an examination warrant was issued on June 3, 2020.

The following is a "report by exception." The report does not present a comprehensive overview of the insurer's practices. Rather, it contains a summary of the non-compliant activities discovered during the course of the examination regarding the Company's private passenger auto insurance. All unacceptable or non-compliant activities may not have been discovered. Failure to identify, comment upon, or criticize non-compliant practices, procedures, products or files in this state or other jurisdictions does not constitute acceptance or approval of such practices.

Pursuant to § 374.205.4 RSMo, all working papers, recorded information, documents and copies thereof produced by, obtained by, or disclosed to the director or any person in the course of the examination are provided confidential treatment.

Statutory citations that were in effect during the time of the examination period were applied.

When used in this report:

- "Company" or "PMIC" refers to the Progressive Max Insurance Company
- "CSR" refers to the Missouri Code of State Regulations
- "DCI" refers to the Missouri Department of Commerce and Insurance
- "Director" refers to the Director of the Missouri Department of Commerce and Insurance
- "Division" refers to Division of Insurance Market Regulation
- "Handbook" refers to the 2020 NAIC *Market Regulation Handbook*
- "NAIC" refers to the National Association of Insurance Commissioners
- "RSMo" refers to the Revised Statutes of Missouri 2016, unless otherwise noted.

## **SCOPE OF EXAMINATION**

The market conduct examiners reviewed the Company's business practices to determine compliance with Missouri insurance laws and regulations during the scope of the examination. This market conduct examination was performed in accordance with §§ 374.110, 374.190, 374.205, 375.938, and 375.1009 RSMo, which empowers the Director of the DCI to examine property and casualty companies.

The primary period covered by this review is January 1, 2017 through December 31, 2019, unless otherwise noted. Errors found outside of this time period may also be included in the report. The examination consisted of a review of the following lines of insurance and business areas:

Private Passenger Automobile Insurance

- I. Claims
- II. Underwriting and Rating
- III. Marketing
- IV. Operations and Management
- V. Complaint Handling

Private passenger automobile insurance is the liability and physical damage insurance coverage that individual citizens carry on their vehicles driven for personal use. With regard to this line of business, market conduct examiners were tasked with reviewing the Company's private passenger automobile insurance in the State of Missouri. This report addresses the claims portion of the exam only. A report addressing any findings for the balance of the areas reviewed will be forthcoming in a separate report. Some areas of review were the Company's total loss valuations, denials and closed without payment claims.

## **METHODOLOGY**

The examiners utilized the Handbook standards when planning for and conducting their reviews. Applicable Handbook standards associated with identified errors are specifically cited in the Examination Findings section of this report. When determining which files to review, the examiners conducted both census reviews and sample reviews, as appropriate.

A review of all records in the population for a test is referred to as a census review. When a population is too large for a census review, the test is conducted by reviewing a sample of systematically selected number of records from within a population. With regards to sampling, the examiners referenced the guidance provided by the Handbook and utilize two sampling methodologies discussed in the sampling chapter: random and stratified. Under a random sampling methodology, all items in the target population have an equal chance of appearing in a sample. Under stratified sampling, the sample is obtained by performing a separate and independent random sample on a subpopulation of interest. The methodology used for each specific test is set out in the Examination Findings section of this report. Unless otherwise noted, the examiners selected all files on a random basis where a sample of a larger population was taken.

Samples were tested for compliance with standards established by the NAIC and the Department. When assessing compliance with the Unfair Trade Practices Act or Unfair Claims Settlement Practices Act, the examiners considered if the Company's actions were committed with such frequency to indicate a general business practice or if the actions were committed in conscious disregard of the law. One mechanism used by the examiners to assess if a general business practice violation occurred is to compare the Company's observed error ratio for such a practice against the NAIC benchmark error ratios of 7% for claims practices errors and 10% for unfair trade practices errors. Observed error ratios which exceed these benchmarks are presumed to occur at

such frequency to indicate a general business practice. Where a general business practice was identified, error ratios are set forth in the tables.

## **COMPANY PROFILE**

Progressive Max Insurance Company (“PMIC”) is a wholly-owned subsidiary of Progressive Direct Holdings, Inc., whose ultimate parent is The Progressive Corporation, an insurance holding company. PMIC was incorporated in the State of Ohio in March of 1937 for the purpose of transacting insurance business, except life insurance, in various classes of insurance as set forth in the insurance laws. PMIC is rated "A+" by A.M. Best.

PMIC is a property and casualty insurer and is part of The Progressive Insurance Group, which consists of 86 companies, of which 48 are insurance companies.

PMIC is currently licensed in all states except the following: California, Florida, Louisiana, Maine, Massachusetts, Michigan, Tennessee and Texas. PMIC is currently transacting the following lines of business: Inland Marine, Other Liability, Other Private Passenger Auto Liability, Private Passenger Auto No-Fault and Private Passenger Auto Physical Damage. The written premium, market share, and incurred losses for the last year of the exam timeframe is captured in the table below. Premium has trended down from \$9,823,228 in 2017 to \$9,547,114 in 2019 for Missouri Private Passenger Automobile.

<b>Company Max Insurance Company Financial Reporting 2019</b>			
<b>Line of Business</b>	<b>Written Premium</b>	<b>Market Share</b>	<b>Incurred Losses</b>
Missouri Private Passenger Automobile	\$9,547,114	.22%	\$5,149,301
Missouri Total – All Property & Casualty	\$11,750,739	.10%	\$6,384,761
Missouri Total – All Lines of Business	\$11,750,739	.04%	\$6,384,761
Nationwide Total – All Lines of Business	\$300,366,450	---	\$549,455,404

## **EXECUTIVE SUMMARY**

Compliance issues were found in claims business areas examined for private passenger automobile coverage. The following is a summary of the findings:

### **CLAIMS**

- The Company did not timely investigate claims.
- The Company did not handle claims in accordance with policy provisions and applicable statutes, rules and regulations.
- The Company did not promptly acknowledge communications.
- The Company did not adequately document claim files.
- The Company did not effectuate prompt, fair, and equitable claim settlements.
- The Company did not implement reasonable standards for the settlement of claims.
- The Company did not handle the denial of claims in accordance with state law.

## **EXAMINATION FINDINGS**

### **I. CLAIMS**

The claims portion of the examination provides a review of the Company's compliance with Missouri statutes and regulations regarding claims handling practices such as the timeliness of handling, accuracy of payment, adherence to contract provisions, and compliance with Missouri statutes and regulations. The following Handbook standards were considered:

- Chapter 20 Claims:
  - Standard 2: Timely investigations are conducted.
  - Standard 3: Claims are resolved in a timely manner.
  - Standard 4: The regulated entity responds to claim correspondence in a timely manner.
  - Standard 5: Claims files are adequately documented.
  - Standard 6: Claims are properly handled in accordance with policy provisions and applicable statutes (including HIPAA), rules and regulations.
  - Standard 9: Denied and closed without payment claims are handled in accordance with policy provisions and state law.

In accordance with these Handbook standards, the examiners:

- A. Requested and reviewed policies, procedures, and guidelines that pertained to claim handling procedures, including the investigation and payment of claims, for noncompliance with Missouri statutes and regulations.
- B. Requested and reviewed the policy provisions and requirements to pay claims in accordance with policy provisions and that policy provisions are congruent with statutes, rules and regulations.
- C. Selected and requested claims files from data supplied by the Company. Reviews of the files were conducted to determine adherence to policy provisions, company procedures and guidelines, and Missouri statutes and regulations. The samples were selected in two areas as follows:
  - 1. A census of 25 paid total loss claims (Claims Paid) from the data supplied by the Company were reviewed to determine if claims were paid appropriately and timely and in accordance with Missouri law. In addition, the inputs to the total loss valuation system and policies and procedures applicable to total losses were reviewed to evaluate them in practical application.
  - 2. A census of 58 denied/closed without payment (CWP) claim files from the data supplied by the Company were reviewed to determine if claims were closed without payment or denied appropriately, timely and in accordance with Missouri law.



The sample type, field size, sample size, errors and ratios are set out in the table below:

Claims Error Ratio Table						
Area of Review	Field Size	Sample Size	Sample Method	Citations	# of Errors	Error Ratio
Claims Paid	24	24	Census	374.205.2(2)	25	NA
				375.1007(1)	2	8.00%
				375.1007(2)	2	8.00%
				375.1007(3)	24	96.00%
				375.1007(4)	19	80.00%
				375.1007(12)	1	4.00%
				375.1007(15)	1	4.00%
CWP	58	58	Census	375.1007(1)	1	1.72%
				375.1007(2)	1	1.72%
				375.1007(3)	1	1.72%

The examiners found the following errors in their reviews.

#### 1. Paid Claims

Finding 1: In one claim, the Company did not provide an appropriate reply within 10 working days on all communications. The Company received and acknowledged a letter of representation for a first-party claimant but failed to respond to or acknowledge the attorney's request that the Company forward a certified copy of the insured's policy and declarations page. The Company did not provide the requested documents until the attorney reminded the Company of the initial request and 162 working days had passed.

Reference: § 375.1007(2), RSMo, and 20 CSR 100-1.030(1)(B)

Finding 2: In two instances for one claim, the Company did not provide an appropriate reply within 10 working days. The Company did not respond to subrogation demands received from a utility company until after 37 working days had passed from the initial request and 24 working days had passed after receiving a second request.

Reference: § 375.1007(2), RSMo, and 20 CSR 100-1.030(1)(B)

Finding 3: In one claim, the Company did not maintain the claim file as the records indicated a signed bodily injury release had been received, but the referenced document was not found in the file.

Reference: § 374.205.2(2), RSMo, and 20 CSR 100-8.040(3)(B)1

Finding 4: In two claims, the Company did not maintain a copy of the Missouri Sales Tax Affidavit for a total loss settlement in the claim file.

Reference: § 374.205.2(2), RSMo, 20 CSR 100-8.040(3)(B)3

Finding 5: In three instances for one claim, the Company misrepresented facts or policy provisions related to coverages at issue by not informing the first-party claimant that damaged child car seats were covered under the Collision Coverage and that injuries to minor insured passengers would be covered under Medical Payments or Underinsured Motorist Coverage.

Reference: § 375.1007(1), RSMo, and 20 CSR 100-1.020(1)(A)

Finding 6: In two instances in one claim, the Company misrepresented facts or policy provisions related to coverages at issue by failing to inform the first-party claimant of applicable Medical Payments Coverage and by indicating there was no Medical Payments Coverage available in an explanation of benefits letter.

Reference: § 375.1007(1), RSMo, and 20 CSR 100-1.020(1)(A)

Finding 7: In one claim, the Company did not attempt to effectuate a prompt, fair and equitable settlement of a claim by not identifying or contacting the legal guardian of the minor insured passengers in reference to injuries, resulting in an unknown underpayment.

Reference: § 375.1007(4), RSMo

Finding 8: In four claims, the Company did not effectuate a fair and equitable settlement of a claim by failing to include all optional equipment of an insured's vehicle in the total loss settlements, resulting in underpayments.

Reference: § 375.1007(4), RSMo

Finding 9: In one claim, the Company did not adopt and implement reasonable standards for the prompt investigation and settlement of claims by not reasonably investigating claims made for a damaged car seat or a bodily injury claim. The denial for a claim for damaged personal property was not supported by the investigation completed by the Company.

Reference: §§ 375.1007(3) and 375.1007(6), RSMo

Finding 10: In eight claims, the Company did not implement reasonable standards for the settlement of claims and failed to effectuate a fair and equitable settlement by incorrectly categorizing the condition of the insured's vehicle in total loss settlements, resulting in underpayments.

Reference: §§ 375.1007(3) and 375.1007(4), RSMo

Finding 11: In 14 instances for 12 claims, the Company did not effectuate prompt, fair and equitable settlements by obscuring individual characteristics of comparable vehicles used in calculating total loss settlements. By failing to include any identifying information for these comparable vehicles in the claim files, the Company precluded any attempt to ascertain if the comparable vehicles were truly comparable.

Reference: §§ 374.205.2(2), 375.1007(3), and 375.1007(4) RSMo, and 20 CSR 100-8.040(2) & (3)(B)1

Finding 12: In 18 instances for 17 claims, the Company did not implement reasonable standards and effectuate fair and equitable settlement by failing to itemize depreciation deductions in total loss settlements. As deductions were not itemized, examiners were unable to determine if the reductions were appropriate in calculating fair and equitable settlements.

Reference: § 375.1007(3) RSMo, & 20 CSR 100-1.050(2)(E)

Finding 13: In five claims, the Company did not document the basis of salvage quotes used for owner retained settlements.

Reference: § 375.1007(3) RSMo, and 20 CSR 100-8.040(2) and 20 CSR 100-8.040 (3)(B)

Finding 14: The Company did not adopt and implement reasonable standards when selecting, implementing and monitoring an estimating software system that was used to prepare estimates. The estimates were noncompliant because it did not have a required disclosure with notification on the use of automobile part(s) not made by the original equipment.

Reference: § 375.1007(3), RSMo, and MO 20 CSR 100-1.050(2)(D)2

Finding 15: The Company did not effectuate prompt, fair and equitable settlement by not including the required disclosure when preparing customer estimates based on the use of automobile part(s) that were not made by the original equipment manufacturer.

Reference: § 375.1007(4), RSMo, and MO 20 CSR 100-1.050(2)(D)2

Finding 16: In one claim, the Company did not provide a reasonable and accurate explanation for non-payment of medical bills sent on behalf of the injured insured guest passenger. The Company sent an explanation of benefits indicating there was no coverage available. The policy covering this loss did carry Medical Payments Coverage, but the Company indicated the basis of the denial was due to a non-duplication provision applying to Medical Payments Coverage.

Reference: § 375.1007(12), RSMo, and 20 CSR 100-1.050(1)(A)

## **2. Denied/Closed Without Payment Claims**

Finding 17: In two instances for one claim, the Company did not send a letter at 45 days to their insured setting forth the reasons additional time was needed for investigation.

Reference: § 375.1007(3), RSMo, and 20 CSR 100-1.050(1)(C)

Finding 18: In four instances for one claim, the Company did not provide an appropriate reply within 10 working days on all communications. The Company did not respond to four separate correspondences received from a medical subrogation company.

Reference: § 375.1007(2), RSMo, and 20 CSR 100-1.030(1)(B)

Finding 19: In one claim, the Company misrepresented relevant facts or policy provisions relating to coverages at issue by misinforming the insured that the Loan/Lease Payoff Coverage was available at the inception of the policy purchase, during subsequent renewals and when the insured reported a loss. The policy listed the same party as both the Named Insured and lienholder when policy terms and conditions effectively prohibited any claim from being made in these circumstances. The payment of the premium since inception for a coverage in which the insured cannot make a claim resulted in a premium overcharge.

Reference: § 375.1007(1), RSMo

**FINAL EXAMINATION REPORT SUBMISSION**  
**AND ACKNOWLEDGEMENT**

Attached hereto is the Division of Insurance Market Regulation's final report of the examination of Progressive Max Insurance Company (NAIC #24279), Missouri Examination Number SBS #360267. The findings in the final report were extracted from the Market Conduct Examiner's Draft Report, dated October 21, 2024. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this final report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This final report has been reviewed and approved by the undersigned.

The courtesy and cooperation extended by the officers and employees of the Company during the course of the Examination are hereby acknowledged.

June 12, 2025

Date



Teresa Kroll

Chief Examiner, Market Conduct

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