STATE OF MISSOURI

DEPARTMENT OF COMMERCE & INSURANCE

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

***In Re*:**	)	
	)	
STANDARD FIRE INSURANCE COMPANY (NAIC #19070)	)	**Market Conduct Investigation No. 421664**
	)	

ORDER OF THE DIRECTOR

NOW, on this 1st day of April, 2026, 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 Standard Fire Insurance Company (NAIC #19070) (hereinafter "Standard"), relating to the market conduct investigation no. 421664, does hereby issue the following orders:

This order, issued pursuant to §374.046.15[1] 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 Standard and the Division.

IT IS FURTHER ORDERED that Standard 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.

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[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 1st day of April 2026.

Angela L. Nelson
Director

IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

***In Re*:**	)	
	)	
STANDARD FIRE INSURANCE COMPANY (NAIC #19070)	)	**Market Conduct Investigation No. 421664**
	)	
	)	
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STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the "Division") and Standard Fire Insurance Company (hereinafter "Standard"), 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, Standard 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 Standard, investigation no. 421664; and

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

1. Standard did not implement a reasonable standard for the settlement of a vehicle repair claim when, contrary to the terms of the policy, it did not include the name of the loss payee on the check payment for repairs, in violation of §375.1007 (3)[1] and §375.1005.

2. In one instance, Standard's claim file was missing a signed and dated copy of a sales tax affidavit, implicating the provisions of §375.1007 (3) and in violation of 20 CSR 100-8.040 (3) (B) 3.

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

3. In one instance, Standard did not provide a letter to the insured outlining the correct statute of limitations, implicating the provisions of §375.1007 (1).

4. In one instance, Standard did not send a timely 45 day notice letter to the claimant, implicating the provisions of §375.1007 (3).

5. In one instance, Standard delayed processing and settling a claim by sending an untimely sales tax affidavit to the claimant, implicating the provisions of §375.1007 (3).

6. In two instances, Standard did not timely open an Uninsured Motorist ("UM") claim or acknowledge the UM claim, implicating the provisions of §375.1007 (2) and in violation of 20 CSR 100-1.030 (1) (A).

7. In one instance, Standard did not promptly issue payment for a claim where liability was reasonably clear, implicating the provisions of §375.1007 (4).

8. In five instances, Standard did not adequately document the weight applied to each vehicle in the calculation of weighted averages of comparable vehicles, in violation of §374.205.2 (2) and 20 CSR 100-8.040 (3) (B) 1.

9. In three instances, Standard did not adequately document the list of options on comparable vehicles, in violation of §374.205.2 (2) and 20 CSR 100-8.040 (3) (B) 1.

10. In five instances, Standard did not itemize deductions applied to the loss vehicle and did not adequately document the amount of the adjustment from beginning value to final value by vehicle component, implicating the provisions of §375.1007 (3) and in violation of 20 CSR 100-1.050 (2) (E) and 20 CSR 100-8.040 (3) (B).

11. In one instance, a negative condition adjustment taken by Standard was not supported by adequate evidence contained in the claim file, implicating the provisions of §375.1007 (4).

12. Standard's policy language inaccurately represented that claim payments for Medical

Payments ("MP") coverage can be reduced due to a setoff with payments issued under UM coverage and vice versa, in violation of §375.1007 (1) and §375.1005.

13. Standard did not consider the full medical bills for two UM claims, implicating the provisions of §375.1007 (4).

WHEREAS, the Division and Standard have agreed to resolve the issues raised in the market conduct investigation as follows:

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.** Standard 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. Standard agrees to conform its claim guidelines and practices to the terms of its policies either by revising its policy language to remove lienholders and loss payees from repair payments below $5,000 or by revising its claim guidelines and practices to include lienholders and loss payees on repair payments below $5,000.

2. Standard agrees to take measures to ensure that a signed and dated sales tax affidavit is sent timely to total loss claimants and that a copy of the signed and dated affidavit is included in the claim file.

3. Standard agrees to send a letter to the insured in claim # XXXX974 outlining the correct Missouri statute of limitations of ten years and to take measures to ensure that the correct Missouri statute of limitations is included in letters to claimants going forward.

4. Standard agrees to ensure that claim guidelines and manuals require that claims be opened timely, that payments are issued promptly, and that acknowledgment and status letters are timely sent to claimants.

5. Standard agrees to pay interest, in an amount to be determined pursuant to §374.191, on claim # XXXX210 from the time the provider reimbursed the Company until payment was issued on 3/15/24. A letter shall be included with the payment indicating that, as a result of a Missouri Market Conduct Investigation, it was determined that payment of interest was owed on the claim.

6. Standard agrees to document its total loss claim files so as to clearly show, per 20 CSR 100-8.040 (3) (B), how the Company arrived at the amount of the condition adjustment by component on loss vehicles. Any adjustment in the value based on depreciation shall be itemized and appropriate in amount pursuant to 20 CSR 100-1.050 (2) (E). The company agrees to assess loss vehicles as dealer ready and adjustments will be calculated for each component of the loss vehicle in the claim file. Condition ratings applied to the loss vehicle shall be documented with the reason for the adjustment and the amount. The company agrees to show the weight applied to each comparable vehicle for weighted average. The basis for any adjustment in the settlement shall be maintained in writing in Standard's claim file.

7. Pursuant to §374.205, Standard agrees to maintain, for a period of three years from the year the claim is closed, all documentation related to the claim, including but not limited to, all documentation of total loss vehicle calculations set out in Paragraph 6 above, and audits of the total loss calculations, as required under Paragraph 9 below and pursuant to 20 CSR 100-8.040 (3) (B).

8. Standard agrees to advise its third-party vendors that, for total loss valuations, all total loss vehicles will be set as dealer ready prior to any condition adjustments.

9. For a period of one year after the date of the Order approving this Stipulation, the Company

agrees to conduct internal quarterly audits of total loss claims to review and determine whether the total loss valuations contain the details outlined in Paragraphs 6 and 7 above and 20 CSR 100-1.050 (2) (E). During this one year period, Standard agrees to pull a random sample of at least 30 total loss claims received during the quarter and review for compliance with Paragraphs 6 and 7 above and 20 CSR 100-1.050 (2) (E). If the Company is out of compliance, it will address errors with the claims team as appropriate and agrees to remediate the loss with the claimant if such remediation is warranted. Standard further agrees to provide quarterly reports to the Division of all total loss claims reviewed within 60 days of the end of the quarter. The reports shall be provided in a manner acceptable to the Division.

10. Standard agrees to refund the $111.00 condition adjustment made on claim #XXXX495 together with interest in an amount to be determined pursuant to §374.191. A letter shall be included with the payment stating that, as a result of a Missouri Market Conduct Investigation, it was determined the insured was entitled to an additional claim payment.

11. Standard agrees to amend its policy language regarding MP and UM coverage setoffs to be compliant with Missouri law. The SERFF filing shall include the statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

12. Standard agrees to re-adjudicate claims XXXX974 and XXXX642, taking into consideration the full amount of the medical bills incurred by each insured, and to reimburse each claimant for any reasonable and necessary charges regardless of whether those charges were covered by health insurance. Interest, in an amount to be determined pursuant to §374.191 shall be included with the payment. A letter shall be included with the payment indicating that as a result of a Missouri Market Conduct Investigation, it was determined the insured was entitled to an additional claim payment.

13. Standard agrees to revise its claim guidelines so that the actual cost of the medical care or treatment proximately resulting in the injuries covered under UM are considered and included in the offer

for settlements where liability has become reasonably clear, regardless of whether payments by other insurers or other coverages have been applied, except that amounts paid on or on behalf of the tortfeasor or amounts adjusted for any contractual discounts, or price reductions by any person or entity may be excluded. Reductions in special damages beyond the allowed amount agreed upon between a provider and health insurer or preferred provider organization, or usual and customary amount are permitted if based on medical necessity as determined by a medical professional. The basis for any reductions in the actual cost of medical care or treatment proximately resulting from injuries covered under UM shall be documented in the claim file.

C. **Compliance.** Standard agrees to file documentation pursuant to § 374.190 with the Division of any remedial action taken to implement compliance with the terms of this Stipulation, including additional payments made to claimants. The documentation shall be in a format acceptable to the Division, and be filed within 90 days of the entry of an Order approving this Stipulation, unless a different timeframe is specified in Section B.

D. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Standard, 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.** Standard, 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. 421664.

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

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 Standard, respectively.

I. **Counterparts and Electronic Signature.** 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: 3/27/26

Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 3/20/2026

Christine L. Palmieri

Name: Christine L. Palmieri
Title: Vice President - Corporate Compliance
Standard Fire Insurance Company