



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
STARR INDEMNITY & LIABILITY) **Market Conduct Investigation No. 317716**
COMPANY (NAIC #38318))

ORDER OF THE DIRECTOR

NOW, on this 19th day of July, 2021, 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 Starr Indemnity & Liability Company (NAIC #38318) (hereinafter “Starr”), relating to the market conduct investigation no. 317716, 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 Starr and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Starr 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.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended, or to the Code of State Regulations, 2020, as amended.

IT IS FURTHER ORDERED that Starr shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$3,250.00, 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 19th day of July, 2021.



A handwritten signature in blue ink, reading "Chlora Lindley-Myers", is written over a horizontal line.

Chlora Lindley-Myers
Director

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

In Re:)
)
STARR INDEMNITY & LIABILITY) **Market Conduct Investigation No. 317716**
COMPANY (NAIC #38318))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Starr Indemnity & Liability Company (NAIC #38318) (hereinafter “Starr”), 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, Starr 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 Starr, investigation no. 317716; and

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

1. Starr failed to file rates/rules for its private/personal casualty aircraft insurance policies in Missouri in violation of §379.321.1.¹
2. Starr failed to file all rates, rules, rating plans and modifications for private/personal casualty aircraft policies where it utilized a scheduled/IRPM rating plan in violation of §379.321.1.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended, or to the Code of State Regulations, 2020, as amended.

3. Starr did not file Exhibit B consent to rate filings on a monthly basis with the Department for 319 private/personal casualty aircraft policies where the rates applied to policies deviated from the filed rates in violation of §379.318 (2), §379.321.1, §379.321.3 and 20 CSR 500-4.300 (2) (A) 3.

4. Starr rated and issued 48 commercial casualty aircraft policies by applying schedule rating factors that exceeded +/- 25% in violation of §379.889 and 20 CSR 500-4.100 (7) (A).

WHEREAS, after this market conduct investigation commenced, Starr submitted rates, rules, and rating plans covering, among other things, Starr's private/personal casualty aircraft insurance policies in Missouri. This filing was made on or about November 13, 2018; subsequently, the rating plan was reviewed by the Department.

WHEREAS, the Division and Starr 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.** Starr agrees to take certain 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. Starr made a filing for its rates and rules for private/personal casualty aircraft policies with the Department as required by §379.321.1. Starr agrees to file any revisions to its rate and rules for private/personal casualty aircraft policies going forward, unless there is a change to Missouri law and/or regulation that removes the legal obligation to file such rules and rates.

2. On a prospective basis, Starr agrees to file with the Department an Exhibit B consent to rate form on a monthly basis for any private/personal casualty aircraft policies with Missouri risks where the rates deviate from the filed rates.

3. Starr agrees that any new or renewed commercial casualty aircraft policies rated and issued using schedule rating/IRPM plans will comply with the +/- 25% limitation contained in 20 CSR 500-4.100 (7) (A).

4. Starr agrees to provide refunds on the eight commercial casualty policies found in this investigation to have been rated using schedule rating modification factors that exceeded + 25%. Interest, calculated pursuant to §374.191, shall be included with the refund. A letter must be included with the payments indicating that “as a result of a Missouri market conduct investigation, it was found that a refund was owed to the insured.” The principal refund amounts shall be as follows: \$2,722 for policy *****7050-03; \$4,435 for policy *****8643-03; \$1,796 for policy *****1965-02; \$7,250 for policy*****3432-01; and \$4,075 each for the policies *****3615-01, *****4831-01, *****6302-01, and *****7109.

5. Starr agrees to review its commercial casualty policies issued from January 1, 2019 to the date of the Order of the Director approving this Stipulation, to determine if any policies were rated using a schedule rating modification factor that exceeded + 25%. If such policies are found, Starr agrees to issue refunds to the insureds. Interest, calculated pursuant to §374.191, shall be included with the refund. A letter must be included with the payments indicating that “as a result of a Missouri market conduct investigation, it was found that a refund was owed to the insured.”

C. **Compliance.** Starr agrees to file documentation with the Division, in a format acceptable to the Division, detailing any remedial action taken to comply with the terms of this Stipulation, including documenting the payment of refunds to policyholders. Such documentation is provided pursuant to §374.190 and shall be submitted within 90 days of the date of the Order

approving this Stipulation.

D. **Voluntary Forfeiture.** Starr agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$3,250 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

E. **Other Penalties.** The Division agrees that it will not seek penalties against Starr, other than those agreed to in this Stipulation, in connection with the above referenced market conduct investigation.

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

G. **Waivers.** Starr, 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 no. 317716.

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

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 Starr 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 a Final Order by 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: 07/14/2021



Stewart Freilich
Chief Market Conduct Examiner and Senior Counsel
Division of Insurance Market Regulation

DATED: 13 July 2021

DocuSigned by:

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Steve Blakey, President and CEO
Starr Indemnity & Liability Company