

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

**In Re:** )  
 )  
**STANDARD FIRE INSURANCE** ) **Market Conduct Investigation**  
**COMPANY (NAIC #3548-19070)** ) **No. 13108-19070-PC**  
 )

**ORDER OF THE DIRECTOR**

NOW, on this 11<sup>th</sup> day of February, 2015, Director John M. Huff, after consideration and review of the market conduct investigation of Standard Fire Insurance Company (NAIC #3548-19070) (hereafter referred to as "Standard Fire"), investigation number 13108-19070-PC, conducted by the Division of Insurance Market Regulation pursuant to § 374.190<sup>1</sup> and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

This order, issued pursuant to §§ 374.046.15 and 374.280 RSMo (Supp. 2014), is in the public interest.

IT IS THEREFORE ORDERED that Standard Fire and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Standard Fire shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place Standard Fire 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.

IT IS FURTHER ORDERED that Standard Fire shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$89,000 payable to the Missouri State School Fund.

---

<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2000 as amended.

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 11<sup>th</sup> day of February, 2015.



John M. Huff  
Director



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

**RECEIVED**  
FEB 05 2015  
MO. DEPT. OF INSURANCE &  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION

**In Re:** )  
 )  
**STANDARD FIRE INSURANCE** ) **Market Conduct Investigation**  
**COMPANY (NAIC #3548-19070)** ) **No. 13108-19070-PC**  
 )  
 )

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Standard Fire Insurance Company (NAIC #3548-19070) (hereinafter referred to as “Standard Fire”), 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 in Missouri; and

WHEREAS, Standard Fire 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 Standard Fire; and

WHEREAS, the Market Conduct Investigation revealed that:

1. In thirteen (13) instances out of 2,043 files reviewed by the Division, an audit was completed and billed more than 120 days from the expiration date of the policy in violation of § 287.955.1<sup>1</sup> and 20 CSR 500-6.500(2)(A); and

2. In one hundred fifty-two (152) instances out of 2,043 files reviewed by the Division, Standard Fire estimated premium at final audit due to an uncooperative insured in violation of § 287.955; and

WHEREAS, Standard Fire does not agree with certain findings in the Market Conduct Investigation; and

WHEREAS, it is the position of Standard Fire that this Stipulation of Settlement is a compromise of disputed facts and legal allegations and that the signing of this Stipulation of

---

<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2000, as amended.

Settlement is done to resolve the Market Conduct Investigation; and

WHEREAS, the Division and Standard Fire have agreed to resolve the issues raised in the Market Conduct Investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement 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 Fire agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably assure that the errors noted in the Market Conduct Investigation do not recur. Such remedial actions shall include, but not be limited to, the following:

1. Standard Fire agrees that audits on workers compensation insurance policies with Missouri premium or exposure will be completed, billed and premiums returned within 120 days of policy expiration or cancellation unless a) a delay is caused by the policyholder's failure to respond to reasonable audit requests provided that the requests are timely and adequately documented or b) a delay is by the mutual agreement of the policyholder and Standard Fire provided that the agreement is adequately documented.

2. Standard Fire agrees to ensure that its procedures for determining final premium comply with NCCI rule 02-MO-2013.

C. **Voluntary Forfeiture.** Standard Fire agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$89,000 such sum payable to the Missouri State School Fund, in accordance with § 374.280.

D. **Waivers.** Standard Fire, 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 above referenced Market Conduct Investigation.

E. **Changes.** No changes to this stipulation shall be effective unless made in writing and agreed to by all signatories to the stipulation.

F. **Governing Law.** This Stipulation of Settlement shall be governed and construed


in accordance with the laws of the State of Missouri.

G. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation of Settlement.

H. **Effect of Stipulation.** This Stipulation of Settlement shall become effective only upon entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration (hereinafter the "Director") approving this Stipulation.

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


DATED: 2/10/2015

  
\_\_\_\_\_  
Angela Nelson  
Director  
Division of Insurance Market Regulation

DATED: 2/10/2015

  
\_\_\_\_\_  
Kelly Hopper  
Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: 2/4/2015

  
\_\_\_\_\_  
John R. Nealon  
Group General Counsel & Assistant  
Corporate Secretary  
Standard Fire Insurance Company

DATED: 2/4/2015

  
\_\_\_\_\_  
Terrence J. Foran  
Legal Counsel  
Standard Fire Insurance Company