



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:

TRADERS INSURANCE
COMPANY (NAIC #42749)

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Market Conduct Investigation No. 417194

ORDER OF THE DIRECTOR

NOW, on this 6th day of March, 2025, Acting Director Angela L. Nelson, 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 Traders Insurance Company (NAIC #42749) (hereinafter “Traders”), relating to the market conduct investigation no. 417194, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 RSMo, is in the public interest.

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

IT IS FURTHER ORDERED that Traders 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.

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

IT IS FURTHER ORDERED that Traders shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,000.00, 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 6th day of March, 2025.



Angela L. Nelson

Angela L. Nelson
Acting Director

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

In Re:)
)
 TRADERS INSURANCE COMPANY) **Market Conduct Investigation No. 417194**
 (NAIC #42749))
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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 Traders Insurance Company (hereinafter “Traders”), 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, Traders 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 Traders, investigation no. 417194; and

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

1. Traders did not obtain and apply Vehicle History Scores consistently to all similarly situated insureds, in violation of §379.470¹.
2. Traders modified premium for comprehensive and uninsured motorist coverages based on accidents that resulted in vehicle damage, in violation of §379.470 and 20 CSR 500-2.700.
3. Traders omitted to disclose in its policies on branded title vehicles that the vehicle will be valued

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

lower in the event of a total loss than a similar vehicle without a branded title, implicating the provisions of §375.936 (6) (a).

WHEREAS, the Division and Traders 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.** Traders 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. Traders agrees not to treat drivers with a foreign driver’s license differently than drivers with a domestic driver’s license with respect to the use of Vehicle History Scores in policy rating.

2. Traders agrees to cease considering accidents in rating comprehensive and uninsured motorist coverages. This prohibition includes the use of Vehicle History Scores to modify premium for comprehensive and uninsured motorist coverage based on vehicle condition where the condition of the vehicle resulted from an accident.

3. Traders agrees to file with the Department revised factors for comprehensive and uninsured motorist coverages reflecting that premium for these coverages will not modified based on driving record of accidents or violations. The filing will be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

4. Traders agrees to review all active auto policies from January 1, 2022, to the date of the Order approving this Stipulation, to determine if premium for uninsured motorist or comprehensive coverage was increased as a result of an accident. If premium was affected, Traders agrees to issue a refund to the affected policyholder for the difference between the premium charged and the premium that would have been charged if the accident was not considered. Interest, in an amount to be determined pursuant to §374.191, will be included with the refund payments. No refund is required to be issued if the amount of the refund check will be \$5.00 or less. A letter will also be included with the payment indicating that as a result of a Missouri Market Conduct Investigation, it was determined that a premium refund was due the policyholder.

5. Traders agrees to amend the definition of Actual Cash Value in its automobile insurance policies using the definition set out in its November 1, 2024 response to the draft investigation findings. A filing with the Department reflecting this amended definition shall be made within 60 days of the date of the order approving this Stipulation and will include a statement that the filing is being made as a result of a Missouri Market Conduct Investigation.

C. **Compliance.** Traders agrees to file documentation pursuant to §374.190 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of the Stipulation, including the payment of refunds to policyholders.

D. **Voluntary Forfeiture.** Traders agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000, 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. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Traders,

this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** Traders, 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. 417194.

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

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

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

J. **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.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.

L. **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: January 31, 2025



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: January 24, 2025

Patrick J Concannon

Name: Patrick J. Concannon
Title: Chief Operating Officer
Traders Insurance Company