

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

**In Re:** )  
 )  
**AMERICAN COMMERCE INSURANCE** ) **Market Conduct Investigation**  
**COMPANY (NAIC #19941)** ) **No. 233520**

**ORDER OF THE DIRECTOR**

NOW, on this 07<sup>th</sup> day of May, 2018, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and American Commerce Insurance Company (NAIC #19941) (hereinafter "American Commerce"), relating to the market conduct investigation set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

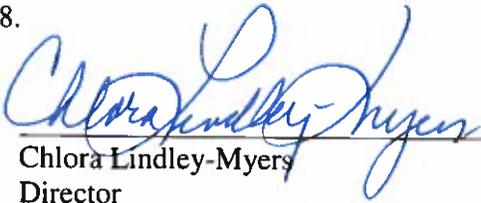
**IT IS THEREFORE ORDERED** that American Commerce and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that American Commerce 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.

**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 07<sup>th</sup> day of May, 2018.



  
\_\_\_\_\_  
Chlora Lindley-Myers  
Director

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

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STATE OF MISSOURI**

*In Re:* )  
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AMERICAN COMMERCE INSURANCE ) **Market Conduct Investigation No. 233520**  
COMPANY (NAIC #19941) )

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”) and American Commerce Insurance Company (NAIC #19941) (hereinafter “American Commerce”), 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**, American Commerce 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 American Commerce; and

**WHEREAS**, based on the Market Conduct Investigation of American Commerce, the Division alleges that:

1. In four instances, American Commerce materially aided the sale and solicitation of insurance by call center employees functioning as unlicensed insurance producers in violation of §375.014<sup>1</sup>, §374.046 and §375.145.

2. American Commerce failed to conduct semi-annual audits of its third party administrators administering functions for its travel insurance business in violation of

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

§376.1084.3.

3. By limiting its travel insurance product to an indemnification plan and partnering with a non-insurer affiliate to provide travel assistance services, American Commerce failed to file comprehensive rates and forms in violation of §379.321. .

4. American Commerce failed to charge certain Missouri residents its filed rates for travel insurance in violation of §379.321.

**WHEREAS**, the Division and American Commerce 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.** American Commerce 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. American Commerce represents that it has previously exited the travel insurance market in all states and has withdrawn its form filings. American Commerce agrees to provide written notice to the Department before seeking to re-enter the travel insurance market in Missouri, and further agrees to obtain approval from the Director of the Department (hereinafter the “Director”) prior to re-entering the travel insurance market in Missouri.

C. **Waivers.** American Commerce, 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.

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

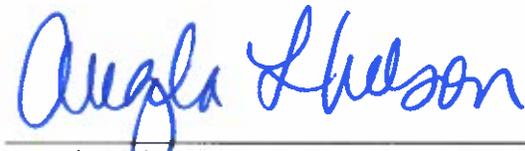
E. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

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

G. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

H. **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: 5/3/2018



Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: 5/7/2018



Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: 4/20/2018



Stefan Jensen, Executive Vice President  
Business and Clients  
American Commerce Insurance Company