

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:

AMERICAN INTER-FIDELITY
EXCHANGE (NAIC #40088)

)
)
)
)
)

Market Conduct Investigation No. 416542

ORDER OF THE DIRECTOR

NOW, on this 29th day of July, 2024, 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 Inter-Fidelity Exchange (NAIC #40088) (hereinafter "AIFE") relating to the market conduct investigation no. 416542, does hereby issue the following orders:

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

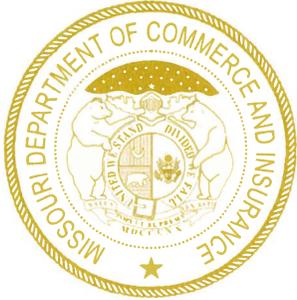
IT IS THEREFORE ORDERED that AIFE and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that AIFE 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 SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 29th day of July, 2024.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
AMERICAN INTER-FIDELITY EXCHANGE) Market Conduct Investigation No. 416542
(NAIC # 40088))

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and American Inter-Fidelity Exchange (NAIC #40088) (hereinafter “AIFE”), 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, AIFE 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 AIFE, Investigation No. 416542; and

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

1. AIFE did not provide the Department’s Division of Consumer Affairs with all requested documentation relating to a consumer complaint in violation of 20 CSR 100-4.100 (1) (A).

2. AIFE included language in its policies which did not accurately represent the circumstances under which AIFE could deny a claim for failure to timely report the claim in violation of 20 CSR 100-1.020 (1) (D).

WHEREAS, AIFE disagrees with the alleged findings and denies any wrongdoing or

activity that violates any applicable laws or regulations.

WHEREAS, the Division and AIFE have agreed to resolve the issues raised in the market conduct examination 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.** AIFE 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. AIFE agrees to respond with reasonable specificity to future inquiries received from the Division of Consumer Affairs by providing all specific documents responsive to any request contained in the inquiry.

2. AIFE agrees to remove its policy language allowing AIFE to deny a claim for the failure to timely file the claim. Such removal of the policy language shall be filed with the Department within 60 days of the date of the order approving this Stipulation.

C. **Compliance.** AIFE agrees to file documentation pursuant to section 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 this Stipulation, including documentation of any filing made pursuant to this Stipulation.

D. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by AIFE, this Stipulation being part of a compromise settlement to resolve disputed factual and legal

allegations arising out of the above referenced market conduct examination. AIFE does not agree with certain findings in the Market Conduct Investigation No. 416542, and it is the position of AIFE that this Stipulation of Settlement is a compromise of disputed facts and legal allegations. AIFE has agreed to resolve all issues relating to the Market Conduct Investigation No. 416542 through this Stipulation. AIFE voluntarily enters into this Stipulation solely for the purpose of reaching a compromise and settlement to fully resolve the issues raised in this market conduct investigation. The signing of this Stipulation of Settlement and AIFE's consent does not constitute an admission of wrongdoing or liability on the part of AIFE and is done to fully, finally and completely resolve all the matters encompassed within the scope of this Stipulation and the Market Conduct Investigation No. 416542 without further regulatory or administrative process or any actions, requirements or monetary payments beyond those enumerated herein.

E. **Waivers.** AIFE, 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.416542 .

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

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 AIFE, respectively.

I. **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.

J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter "Director") approving this Stipulation.

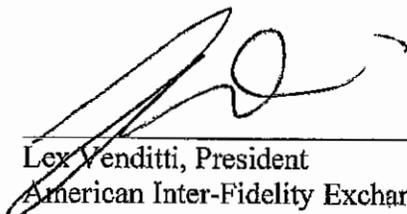
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: July 24, 2024



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 7/24/24



Lex Venditti, President
American Inter-Fidelity Exchange