



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
GREAT AMERICAN ALLIANCE) **Market Conduct Investigation No. 317695**
INSURANCE COMPANY (NAIC #26832))

ORDER OF THE DIRECTOR

NOW, on this 19th day of October, 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 Great American Alliance Insurance Company (NAIC #26832) (hereinafter “GAAIC”), relating to the market conduct investigation no. 317695, 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 GAAIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that GAAIC 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 GAAIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$500.00, 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 October, 2021.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
GREAT AMERICAN ALLIANCE) **Market Conduct Investigation**
INSURANCE COMPANY (NAIC #26832)) **No. 317695**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Great American Alliance Insurance Company (NAIC # 26832) (hereinafter GAAIC”), 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, GAAIC 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 GAAIC, investigation #317695; and

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

1. GAAIC failed to file some forms for commercial casualty aircraft policies issued to Missouri risks in violation of §379.321.6 (7)¹
2. GAAIC’s base rate modification plan includes rates that exceed + or – 25% in violation of §379.318 (4), §379.321.6 (10) and 20 CSR 500-4.100 (7) (A).

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

WHEREAS, the Division and GAAIC 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.** GAAIC agrees to take remedial action to resolve the issues raised in the market conduct investigation and agrees to maintain such remedial actions at all times. Such remedial actions shall consist of the following:

1. To the extent it has not already done so, GAAIC agrees to file with the Director of the Department (hereinafter “Director”) all commercial casualty and/or excess aircraft policy forms used on Missouri risks. If GAAIC has not already made form filings for commercial casualty and/or excess aircraft policies, then GAAIC shall make such filings through the System for Electronic Rate and Form Filing (“SERFF”) and include a statement indicating, “as a result of a Missouri market conduct investigation, this filing is being made.”

2. GAAIC agrees to amend its commercial casualty and/or excess aircraft rate filings to remove individual risk premium modifications (“IRPM”) and/or schedule rating factors that exceed + or – 25% within thirty (30) days of the date of the Order approving this Stipulation. The SERFF filing will include a statement indicating, “as a result of a Missouri market conduct investigation, an amended filing is being made.”

3. GAAIC agrees that it will not utilize IRPM or scheduled rating factors that exceed + or – 25% on commercial casualty and/or excess aircraft policies with Missouri risks.

4. GAAIC agrees to file with the Department an Exhibit B consent to rate form on a monthly basis for any commercial casualty and/or excess aircraft policies with Missouri risks where the rates deviate from the filed rates.

5. GAAIC agrees to conduct a review of all Missouri commercial casualty and/or excess aircraft policies from January 1, 2019 to the date of the Order approving this Stipulation to determine if policies were rated using scheduled rating/base rate modifications exceeding +25%. If additional payments are owed, GAAIC agrees it will make such premium refunds to these policyholders, and will include interest as determined under §374.191. A letter will be included with the payment indicating, “as a result of a Missouri market conduct investigation, it was found that a premium refund was owed.”

C. **Compliance.** GAAIC agrees to file documentation with the Division, in a format acceptable to the Division, within 60 days of the entry of a final order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Ongoing Investigation.** GAAIC agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by GAAIC pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** GAAIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500.00 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by GAAIC, 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.** GAAIC, 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.

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

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 GAAIC 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 and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

L. **Effect of Stipulation.** This Stipulation shall become effective only upon 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: 9/28/2021



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

DATED: 9/23/2021

A handwritten signature in blue ink that reads "Andrew White". The signature is written in a cursive style and is positioned above a horizontal line.

Andrew White
Assistant General Counsel
Great American Alliance Insurance Company