

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

In Re:)
)
GREAT WEST CASUALTY COMPANY) Market Conduct Investigation
(NAIC #11371)) No. 272808

ORDER OF THE DIRECTOR

NOW, on this 13th day of April, 2018, 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 West Casualty Company (NAIC #11371) (hereinafter “Great West”), relating to the market conduct investigation set out in the caption above, does hereby issue the following orders:

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

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

IT IS FURTHER ORDERED that Great West shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place Great West 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 FURTHER ORDERED that Great West shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$16,500.00, 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 13th day of April, 2018.




Chlora Lindley-Myers
Director

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

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

In Re:)
)
GREAT WEST CASUALTY COMPANY) **Market Conduct Investigation**
(NAIC #11371)) **No. 272808**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Great West Casualty Company (NAIC #11371) (hereinafter referred to as "Great West"), 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, Great West 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 Great West; and

WHEREAS, based on the Market Conduct Investigation of Great West, the Division alleges that:

1. In 33 instances, Great West failed to adequately document the basis for audits which were completed and billed more than 120 days from the expiration date of the policy in violation of § 287.955.1¹ and 20 CSR 500-6.500(2)(A).

WHEREAS, Great West disputes the allegations as to 16 instances and in consenting to this Stipulation, makes no admission as to the same. Great West denies any wrongdoing or

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

activity that violates any applicable laws or regulations, but in light of the complicated issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the parties hereto, has agreed to resolve all issues relating to the Market Conduct Investigation and the regulatory issues through this Agreement.

WHEREAS, the Division and the Company voluntarily enter into this Agreement solely for the purpose of reaching a compromise and settlement to fully and finally resolve the issues raised in the Market Conduct Investigation without the need for a hearing or further administrative action .

WHEREAS, the Division and Great West 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.** Great West 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. Such remedial actions shall include, but not be limited to, the following:

1. Great West 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 Great West provided that the agreement is adequately documented.

C. **Compliance.** Great West agrees to file documentation with the Division within 30 days of the entry of a final order of all remedial action taken to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Voluntary Forfeiture.** Great West agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$16,500.00, with such sum payable to the Missouri State School Fund in accordance with §374.280, RSMo. Supp. 2013.

E. **Waivers.** Great West, 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.

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

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

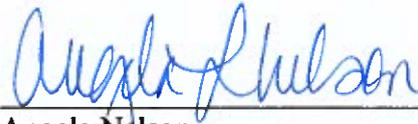
H. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Great West respectively.

I. **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.

J. **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

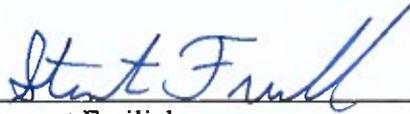
to the issuance of such Order.

DATED: 4-4-2018



Angela Nelson
Director, Division of Insurance
Market Regulation

DATED: 4/4/2018



Stewart Freilich
Senior Regulatory Affairs Counsel
Division of Insurance Market Regulation

DATED: 3-28-18



Jon Determan
Vice President, Workers' Compensation
Great West Casualty Company