

STATE OF MISSOURI



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In re:

General Casualty Company of Wisconsin
(NAIC #0796-24414)

)
) Investigation No. 10111-24414-PC

)
)

ORDER OF THE DIRECTOR

NOW, on this 6th day of FEBRUARY, 2013, Director John M. Huff, after consideration and review of the market conduct investigation of General Casualty Company of Wisconsin (NAIC #0796-24414), (hereafter referred to as "the Company") investigation number 10111-24414--PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190 RSMo, and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo (Cum. Supp. 2012) and §374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that, the Company and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

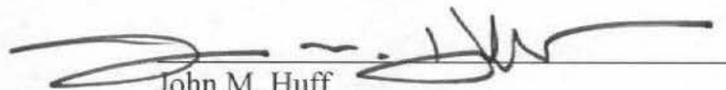
IT IS FURTHER ORDERED that the Company shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place the Company in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times.

IT IS FURTHER ORDERED that the Company shall pay, and the Department of Insurance,

Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$14,000, 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 FEBRUARY, 2013.



John M. Huff
Director



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: General Casualty Company of Wisconsin
One General Drive
Sun Prairie, WI 53596

RE: General Casualty Company of Wisconsin (NAIC #0796-24414)
Missouri Market Conduct Investigation #10111-24414-PC



**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and General Casualty Company of Wisconsin (NAIC # 0796-24414), (hereafter referred to as "General Casualty") as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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, General Casualty has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Investigation of General Casualty and prepared report number 10111-24414-PC; and

WHEREAS, the report of the Market Conduct Investigation revealed that:

1. In thirty two (32) instances, General Casualty failed to submit filings for individually rated large deductible workers compensation insurance policies in violation of §287.310¹ and §287.947;

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

2. General Casualty used two NCCI forms subsequent to the effective date of their withdrawal in violation of §287.310;

3. The Department was unable to verify the correct calculation of Administrative Surcharge factors used because General Casualty failed to charge or overcharged some policies in violation of §287.310.9;

WHEREAS, General Casualty hereby agrees to take remedial action bringing the Company into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times, to reasonably assure that the errors noted in the above-referenced market conduct investigation report do not recur. The remedial actions shall include, but are not limited to, the following:

1. General Casualty agrees to file all, in force, individually rated large deductible workers compensation insurance policies with the Director within 30 days of the date of the order closing this investigation, and agrees to file all individually rated large deductible workers compensation insurance policies within 30 days of the effective date of the policy;

2. General Casualty agrees to review all policies that used Form #WC 24 04 06 B after the effective date of its withdrawal. General Casualty will determine if any employers' e-mod was negatively impacted because the employer was not able to pay claims in the \$500 to \$1,000 range. Where an employers' e-mod was negatively impacted by use of the improper form, General Casualty will recalculate e-mod and premium as if the employer paid the claims within the affected dollar range. General Casualty will also take reasonable steps to evaluate the impact of the misuse of Form #WC 24 04 06 B on employers for a period of three years. Any refund of premium owed to an employer must be remitted to the employer along with nine percent (9%) interest per annum pursuant to §408.020. A letter must be included with the payment indicating that "as a result of a Missouri Market Conduct Investigation," it was found that a refund was due to the insured. Additionally, evidence must be provided to the Department that such review of affected e-mods has been completed within 120 days after the date of the order finalizing this investigation, and that appropriate refunds to employers have been made within 120 days after the date of the order finalizing this investigation

3. General Casualty agrees to provide restitution in the amount of \$722.00 to policyholders who were overcharged on payment of the Administrative Surcharge. The amount of restitution to be provided to each policyholder is set out in the attached Spreadsheet which is listed as Exhibit A and incorporated by

reference. A letter must be included with the payment indicating that "as a result of a Missouri Market Conduct Investigation", it was found that a refund was due to the insured. Additionally, evidence must be provided to the Department within 120 days after the date of the Order finalizing this investigation that all restitution payments have been made by the Company.

WHEREAS, General Casualty, 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, which may have otherwise applied to the above referenced Market Conduct Investigation; and

WHEREAS, General Casualty hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Investigation #10111-24414-PC further agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$14,000.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of General Casualty to transact the business of insurance in the State of Missouri or the imposition of other sanctions, General Casualty does hereby voluntarily and knowingly waive all rights to any hearing, consents to the ORDER of the Director, consents to take the remedial actions required by this stipulation, and consents to surrender and forfeit the sum of \$14,000, such sum payable to the Missouri State School Fund, in accordance with §374.280.

DATED: 1-28-2013



President
General Casualty Company of Wisconsin