



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:

INTEGON NATIONAL INSURANCE
CORPORATION (NAIC #29742)

)
)
) **Market Conduct Investigation No. 407573**
)

ORDER OF THE DIRECTOR

NOW, on this 27th day of September, 2023, 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 Integon National Insurance Corporation (NAIC #29742) (hereinafter “Integon National”), relating to the market conduct investigation no. 359083, 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 Integon National and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Integon National 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, 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.

IT IS FURTHER ORDERED that Integon National 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 27th day of September, 2023.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
INTEGON NATIONAL INSURANCE) **Market Conduct Investigation No. 407573**
CORPORATION (NAIC #29742))

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Integon National Insurance Corporation (hereinafter “Integon National”), 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, Integon National 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 Integon National, investigation no. 407573; and

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

1. Integon National did not include the Supplementary Risk Model (SRM) Action Code Lookup table with the SERFF filing GMMX-132934330 in violation of 20 CSR 500-4.100(1)(B).
2. Integon National is considering accidents in rating factors for comprehensive and uninsured motorist coverages to modify the premium for comprehensive coverage in violation of

§379.470(1) RSMo¹ and 20 CSR 500-2.700(1).

WHEREAS, the Division and Integon National 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.** Integon National 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. Integon National agrees to file the complete Supplementary Risk Model, including the SRM Action Code Lookup table within 30 days of the date of the Order approving this Stipulation.

2. Integon National agrees to modify the uninsured motorist and comprehensive coverage factors within the SRM table to be rate neutral across all SRM action code sources within 30 days of the date of the Order approving this Stipulation.

3. Integon National agrees to modify the uninsured motorist and comprehensive coverage factors within Paid in Full discount (Rates – Section 38), Countrywide Multivariate Discounts by UW tier, and Multiproduct Discount (Rates – Section 16) to be the same across all tiers by level within 30 days of the date of the Order approving this Stipulation.

4. Integon National agrees to file new factors and rates with the Division within 30 days of the date of the Order approving this Stipulation.

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

5. Integon National agrees to review all active auto policies from July 1, 2020 to the date of the Order approving this Stipulation to determine if accidents were considered in rating factors for comprehensive and uninsured motorist coverages. If premium was modified as a result of these accidents, Integon National will issue refunds to impacted policy holders for the difference between the premium charged to the policy holder and the premium that would have been charged if accidents were not considered. Interest will be included with the refund in an amount to be determined pursuant to §374.191. A letter will be included with the refund indicating that as a result of a Missouri Market Conduct Investigation, it was determined that a premium refund was due to the policyholder. to provide a list of impacted policies with the amount of overcharge for all factors that were incorrectly modified by accidents and violations with calculated interest included.

C. **Compliance.** Integon National agrees to file documentation pursuant to section 374.190 with the Division, in a format acceptable to the Division, within 30 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 providing a list of impacted policies with the amount of overcharge for all factors that were incorrectly modified by accidents and violations with calculated interest included.

D. **Voluntary Forfeiture.** Integon National 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.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Integon National, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** Integon National, 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. 407573.

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

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

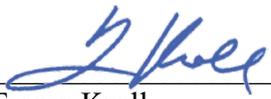
I. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Integon National, respectively.

J. **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.

K. **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.

L. **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: September 5, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 8/9/2023



Name: Doug Hanes
Title: SVP-NatGen-Product Management
Integon National Insurance Corporation