

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
 Midvale Indemnity Company) **Market Conduct Investigation No. 402801**
 (NAIC #473-27138))

ORDER OF THE DIRECTOR

NOW, on this 28th 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 Midvale Indemnity Company (NAIC #473-27138) (hereinafter “Midvale”), relating to the market conduct investigation no. 402801, 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 Midvale and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Midvale 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.

IT IS SO ORDERED.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 25th day of September, 2023.

Chlora Lindley-Myers

Chlora Lindley-Myers
Director



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

In Re:)
)
MIDVALE INDEMNITY) **Market Conduct Investigation No. 402801**
COMPANY (NAIC # 473-27138))
)

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Midvale Indemnity Company (hereinafter “Midvale”), 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, Midvale 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 Midvale, investigation no. 402801; and

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

1. In five instances,¹ Midvale did not acknowledge with reasonable promptness pertinent communications from claimants, and did not provide an appropriate reply within 10 working days

¹ During the course of this investigation, the examiners requested and reviewed ten claim files from Midvale.

to all communications from any claimant that reasonably suggests a response is expected, implicating the provisions of § 375.1007(2) RSMo² and violating 20 CSR 100-1.030(1)(B).

2. In five instances, Midvale did not adopt and implement reasonable standards for the prompt investigation and settlement of claims, implicating the provisions of § 375.1007(3).

3. In four instances, Midvale did not attempt in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability had become reasonably clear, implicating the provisions of § 375.1007(4).

4. In two instances, Midvale did not acknowledge the receipt of a notification of claim from a first party claimant, implicating the provisions of § 375.1007(2) and violating 20 CSR 100-1.030(1)(A).

5. In three instances, Midvale did not advise the first party claimants of the acceptance or denial of the claims within 15 working days after the submission of all forms necessary to establish the nature and extent of the claims, implicating the provisions of § 375.1007(2) and violating 20 CSR 100-1.050(1)(A).

6. In six instances, Midvale did not send 45-day status letters setting forth the reasons additional time was needed to investigate the claim, implicating the provisions of § 375.1007(2) and violating 20 CSR 100-1.050(1)(C).

7. In two instances, Midvale did not maintain documentation of written communication in claim files in violation of § 374.205 and 20 CSR 100-8.040(3)(B)(1).

WHEREAS, the Division and Midvale have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter "Stipulation")

² All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

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. Midvale 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. Midvale agrees to implement a procedure to audit claim files regularly to ensure compliance with Missouri laws and provide feedback to adjusters.

2. Midvale agrees to review internal claim handling guidelines to ensure the direction given to adjusters is in compliance with Missouri laws.

3. Midvale agrees to ensure that claim handling guidelines provide clear direction to adjusters for timely responses to insureds and claimants, required notifications regarding the status of the claim, and requirements for written denials being sent in accordance with Missouri law.

4. Midvale agrees to ensure that all claim files are maintained to clearly show the handling of the claim, including documentation for written communications sent to insureds and claimants in accordance with Missouri law.

C. Compliance. Midvale agrees to file documentation pursuant to § 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.

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

E. **Waivers.** Midvale, 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. 402801.

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

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 Midvale, 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.

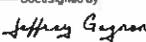
K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: Sept. 21, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 9/6/2023

DocuSigned by


Name: Jeffrey Gagnon
Title: Compliance Manager
Midvale Indemnity Company