

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

<i>In Re:</i>	)	
	)	
NATIONAL GENERAL INSURANCE COMPANY (NAIC #23728)	)	Market Conduct Investigation No. 313227
	)	
NATIONAL GENERAL INSURANCE ONLINE, INC. (NAIC #11044)	)	Market Conduct Investigation N. 320297
	)	

**ORDER OF THE DIRECTOR**

NOW, on this 20<sup>th</sup> day of November, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), National General Insurance Company (NAIC #23728) (hereinafter "NGIC"), and National General Insurance Online, Inc. (NAIC #11044) (hereinafter "NGIO"), relating to the market conduct investigations set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

**IT IS THEREFORE ORDERED** that NGIC, NGIO, and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that NGIC and NGIO shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place each 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.**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 20<sup>th</sup> day of November, 2019.



*Chlora Lindley-Myers*  
Chlora Lindley-Myers  
Director

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

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	)	

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), National General Insurance Company (NAIC #23728) (hereinafter “National General”) and National General Insurance Online, Inc. (NAIC #11044) (hereinafter “National General Online”), 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; and

**WHEREAS**, National General has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, National General Online 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 National General, Investigation No. 313227;

**WHEREAS**, based on the Market Conduct Investigation of National General, the Division

alleges that:

1. National General's rating structure denied eligibility for its accident free/claims free discount to policyholders that had one or more not-at-fault accidents in violation of §379.470<sup>1</sup> and 20 CSR 500-2.600.

**WHEREAS**, the Division conducted a Market Conduct Investigation of National General Online, Investigation No. 320297;

**WHEREAS**, based on the Market Conduct Investigation of National General Online, the Division alleges that:

2. National General Online's rating structure denied eligibility for its accident free/claims free discount to policyholders that had one or more not-at-fault accidents in violation of §379.470 and 20 CSR 500-2.600.

**WHEREAS**, the Division, National General and National General Online 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.** National General and National General Online agree to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. National General and National General Online have revised their underwriting rule pertaining to the accident free/claims free discount. National General and National General Online agree not to deny eligibility for its accident free/claims free discount to Missouri policyholders who have had one or more not-at-fault accidents or to otherwise charge a higher premium to Missouri policyholders based on any not-at-fault accidents sustained by the policyholder.

2. National General and National General Online have represented that they are in the process of providing remediation to Missouri policyholders who were denied eligibility for the accident free/claims free discount due to not-at-fault accidents. National General and National General Online agree that they will refund to each Missouri policyholder who would have qualified for the accident free/claims free discount, but for the policyholder's prior not-at-fault accident(s), the amount of the discount plus interest to be calculated pursuant to §374.191.

C. **Compliance.** National General and National General Online agree 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 to implement compliance with the terms of this Stipulation and to document the payment of restitution and interest required under Section (B) (2). Such documentation is provided pursuant to §374.190.

D. **No Penalties.** The Division agrees that it will not seek penalties against National General or National General Online, other than for violation of this Stipulation and the Order approving this Stipulation, in connection with Market Conduct Investigation Nos. 313227 and 320297.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by National General or National General Online, this Stipulation being part of a compromise settlement

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended.

to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** National General and National General Online, after being advised by legal counsel, do 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 Market Conduct Investigation Nos. 313227 and 320297.

G. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division, National General and National General Online.

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, National General and National General Online 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 a Final Order by the Director of the Department (hereinafter the "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: 11/20/2019



Angela L. Nelson, Director  
Division of Insurance Market Regulation

DATED: 11/20/2019



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

DATED: 11/20/2019



Jeffrey Weissmann  
General Counsel and Secretary  
National General Insurance Company

DATED: 11/20/2019



Jeffrey Weissmann  
General Counsel and Secretary  
National General Insurance Online, Inc.