

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

In Re:)
)
NEW HAMPSHIRE INSURANCE) **Market Conduct Investigation No. 231935**
COMPANY (NAIC #23841))

ORDER OF THE DIRECTOR

NOW, on this 14 day of September, 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 New Hampshire Insurance Company (NAIC #23841) (hereinafter "NHIC"), 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 and §374.280 is in the public interest.

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

IT IS FURTHER ORDERED that NHIC shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place NHIC 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 NHIC shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of \$11,000.00, 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 14th day of September, 2018.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

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STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and New Hampshire Insurance Company (NAIC #23841) (hereinafter “New Hampshire”), 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, New Hampshire 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 New Hampshire, investigation #231935; and

WHEREAS, based on the Market Conduct Investigation of New Hampshire, the Division alleges that:

1. New Hampshire used policy forms and rates that failed to be filed or approved for use in Missouri in violation of §379.321¹ and 20 CSR 500-4.100.
2. New Hampshire’s Certificate of Storage Insurance – Form #106389 (10/13) contained language that tended to limit the time for bringing a legal action in violation of §431.030.

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

3. New Hampshire in connection with the offer, sale, solicitation or negotiation of insurance, misrepresented in Certificate of Storage Insurance – Form #106389 (10/13), the number of years in which Missouri consumers have to file a legal action by stating that Missouri consumers have two years in which to file a legal action, when, in fact, Missouri consumers have ten years in which to file a legal action in violation of §375.144, §375.936 (6) and §375.934.

4. New Hampshire's Inland Marine Countrywide Self Storage Rules – Section 3 – Schedule Rating Plan under the Perfect Solutions Program failed to detail or define the risk factor characteristics standards in violation of 20 CSR 500-4.100(7).

5. New Hampshire's MO Certificate of Insurance – Form #109341 (11/11) contained language limiting the time period for reporting a claim in violation of §375.1007 (1), §375.1005 and 20 CSR 100-1.020.

6. New Hampshire's Underwriting Guidelines – Section 3 – Schedule Rating Plan under the Storsmart Insurance Program failed to detail or define the risk factor characteristics standards in violation of 20 CSR 500-4.100(7).

WHEREAS, the Division and New Hampshire 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.** New Hampshire 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, but are not limited to, the following:

1. New Hampshire agrees to re-file with the Director its StorSmart Insurance Program and Public Storage Program as personal inland marine. Pending the final review and disposition of those re-submissions, New Hampshire is permitted to continue to use the currently filed commercial inland marine filings for these Programs. To the extent additional changes to either Program are found to be required by the Director as a result of these re-filings, New Hampshire will be permitted to implement such changes for new business 120 days from the filing disposition date.

2. New Hampshire agrees to file every manual of classifications, rules, underwriting rules and rates, every rating plan and every modification of the foregoing which it uses to provide coverage which is primarily for the loss or damage to an individual self-storage unit lessee's personal property, and the policies and forms to which such rates are applied, pursuant to §379.321.1.

3. New Hampshire agrees to review all claims under the StorSmart Insurance Program from March 24, 2014 through March 24, 2017 to determine if any claims were improperly denied for the insured's failure to submit written notification of a claim within 30 days of the loss as stated in MO Certificate of Insurance – Form #109341 (11/11). If a claim was improperly denied, New Hampshire agrees to readjudicate and pay the claim, including interest at the annual adjusted prime rate of interest as determined by section 32.065, not to exceed nine per cent (9%) interest per annum. A letter must be included with the payment, indicating that "as a result of a Missouri Market Conduct Investigation," it was found that additional payment was owed on the claim.

4. New Hampshire agrees not to misrepresent to Missouri policyholders the amount of time in which they may file a legal action against the Company.

C. **Compliance.** New Hampshire agrees to file documentation with the Division, in a format acceptable to the Division, within 120 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation. New Hampshire may request additional time to file documentation required under this paragraph and the Division will not unreasonably withhold consent

to such a request. Such documentation is provided pursuant to §374.190.

D. **Voluntary Forfeiture.** New Hampshire agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$11,000 such sum payable to the Missouri State School Fund, in accordance with §374.280.

E. **Other Penalties.** The Division agrees that it will not seek penalties against New Hampshire, other than those agreed to in this Stipulation, in connection with Market Conduct Investigation #231935.

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

G. **Waivers.** New Hampshire, 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 Market Conduct Investigation #231935.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and New Hampshire.

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

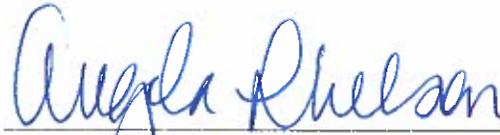
J. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and New Hampshire respectively.

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

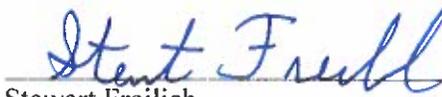
of such Order.

DATED: 9/13/2018



Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 9/14/2018



Stewart Freilich
Senior Regulatory Affairs Counsel

DATED: 9/4/18



Steven Harris, Vice President
New Hampshire Insurance Company