

**STATE OF MISSOURI
DIRECTOR OF INSURANCE**

In the Matter of the Certificate of Authority of National Union Fire Insurance Company of Pittsburgh, Pa. (NAIC 19445) a corporation domiciled in Pennsylvania and licensed to do business in the State of Missouri

CONSENT ORDER

**To: National Union Fire Insurance Company of Pittsburgh, Pa.
180 Maiden Lane, 15th
Floor New York, NY 10038**

The Director of the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, John M. Huff ("Director") has advised National Union Fire Insurance Company of Pittsburgh, Pa. ("NUFIC") that as a result of an investigation by the Missouri Department of Insurance, Financial Institutions and Professional Registration (the "Department") pursuant to §374.190 RSMo, concerning the Travel Guard Travel Protection Plan (the "Plan"), which is underwritten by NUFIC and offered on the Travelocity.com ("Travelocity") website and other websites powered, directly or indirectly, by Travelocity, the Director is prepared to commence formal proceedings against NUFIC and to seek penalties under §374.049 RSMo.

RECITALS

1. NUFIC sold the Plan to Missouri residents via Travelocity's website and other websites powered, directly or indirectly, by Travelocity.
2. Between June 1, 2009 and January 24, 2012, NUFIC through Travelocity and other websites powered, directly or indirectly, by Travelocity sold approximately 70,000 Plans to Missouri residents. During this time period, an "opt-out" approach was used for domestic air purchases, international air purchases, and trip packages.
3. Prior to January 25, 2012, upon accessing Travelocity's website or other websites powered, directly or indirectly, by Travelocity, a consumer could book a flight by choosing their destination and dates of travel. After selecting "Search Now," the consumer was asked to choose a departing and return flight. Next, the consumer had the option of adding a hotel to the flight or continuing with the flight only. After making the

selection, the consumer was able to review the selections made. To decline coverage, a consumer had to affirmatively make a selection to opt-out of the Plan. Below the section of the website referenced above, the consumer could review the price of the selected flight as well as the itemized cost of the Plan. The Plan costs \$24.95 per person for domestic travel and \$44.95 per person for international travel. The cost of the Plan was included in the total purchase price unless a consumer opted out of the Plan.

4. The Department reviewed NUFIC's operations in connection with the opt-out sale of the Plan on Travelocity's website and other websites powered, directly or indirectly, by Travelocity. Based on its investigation, the Department alleges that NUFIC's opt-out sale process constitutes an unfair and deceptive practice in violation of §375.144 RSMo. NUFIC denies, in the strongest possible way, such allegations.
5. NUFIC acknowledges that it has been advised of their rights to a hearing in this matter, to present arguments to the Director, and to appeal from any adverse determination after a hearing, and NUFIC hereby waives those rights. NUFIC further acknowledges that it has been represented by legal counsel throughout these proceedings.
6. NUFIC has agreed to a disposition of these matters by consent order, without a hearing, pursuant to §374.046.15 RSMo.
7. Nothing contained in this Consent Order shall be deemed an admission of wrongdoing or of a violation by NUFIC of any Missouri statute, regulation or other law.
8. The Department and the Director release NUFIC from any liability under Missouri laws enforced by the Department, including any liability under §375.144 RSMo, in connection with any activity within the scope of the subject matter of this Consent Order.
9. The following order is in the public interest.

ORDERS

NOW, THEREFORE, IT IS HEREBY ORDERED that, to the extent it has not already done so, NUFIC shall cease and desist in Missouri the sale through an opt-out methodology of Missouri consumers in the Plan or any other plan or policy of insurance on Travelocity's website or any other website powered, directly or indirectly, by Travelocity or any other website selling NUFIC's travel insurance plans or policies.

FURTHER, IT IS HEREBY ORDERED, that pursuant to §374.046 RSMo, NUFIC shall refund the premium charged to each Missouri resident who purchased the Plan on Travelocity's website or any other website powered, directly or indirectly, by Travelocity, during the time period of June 1, 2009 through January 24, 2012, and who either (1) did not make a claim resulting in the payment of any benefits under the Plan or (2) did not already receive a refund of that premium from NUFIC. Such premiums total approximately \$2 million.

FURTHER, IT IS HEREBY ORDERED, that, unless the Department and NUFIC mutually agree otherwise, NUFIC shall take remedial action as follows:

1. Within one hundred fifty (150) days of this Order, complete a process acceptable to the Department whereby refund checks for the premiums described in the immediately preceding paragraph shall be sent to Missouri residents;

2. Within two hundred seventy (270) days of this Order, NUFIC shall provide the Department with a final accounting of all sums paid as premium refunds pursuant to this Order. and

3. Within three hundred (300) days of this Order, NUFIC will escheat to the Missouri Treasurer any amounts which are remaining in the Fund which have not been paid as premium refunds, together with all identifying information in NUFIC's possession for those purchasers who did not receive premium refunds. NUFIC will provide the Department with a listing of said amounts. If for any reason the Treasurer is unable to accept any of these funds or returns said funds to NUFIC, then, consistent with NUFIC's charter and applicable law, NUFIC will donate such funds to a charitable or non-profit organization selected by NUFIC and subject to the approval of the Department. NUFIC shall propose at least three candidates to the Department and shall propose additional candidates if approval is not forthcoming. Once the Department has approved a candidate proposed by NUFIC, NUFIC shall pay the candidate the amount in question within 15 business days of receipt of the written approval from the Department.

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This Order shall be effective upon the signature of the Director.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in
Jefferson City, Missouri, this 21st day of MARCH, 2013.

A handwritten signature in black ink, appearing to read "John Huff", written over a horizontal line.

John Huff
Director

RE: NATIONAL UNION

