



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:*

PIONEER AMERICAN  
INSURANCE COMPANY  
(GROUP/NAIC #67873)

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)

**Market Conduct Investigation  
No. 382009**

**ORDER OF THE DIRECTOR**

NOW, on this 24<sup>th</sup> day of May, 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 Pioneer American Insurance Company (Group/NAIC #67873) (hereinafter “Pioneer”), relating to the market conduct investigation no. 382009, 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 Pioneer and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that Pioneer 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.

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

**IT IS FURTHER ORDERED** that Pioneer shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$3,500.00, 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 24<sup>th</sup> day of May, 2023.



*Chlora Lindley-Myers*  
Chlora Lindley-Myers  
Director

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

*In Re:* )  
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 **PIONEER AMERICAN** ) **Market Conduct Investigation**  
 **INSURANCE COMPANY** ) **No. 382009**  
 **(GROUP/NAIC #67873)** )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (the “Division”), and Pioneer American Insurance Company (Group/NAIC #67873) (“Pioneer”), as follows:

**WHEREAS**, the Division is a unit of the Missouri Department of Commerce and Insurance (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**, Pioneer 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 Pioneer, Investigation #382009; and

**WHEREAS**, based on the Market Conduct Investigation of Pioneer, the Division alleges that:

1. In 11 instances, Pioneer failed to timely investigate or decide the outcome of death claims in violation of § 375.1007(7), RSMo<sup>1, 2</sup>.

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

<sup>2</sup> In a selective sample, this error was found in 11 of 20 files.

2. In 18 instances, Pioneer failed to pay the appropriate interest due on late death benefit claim payments in violation of § 375.1007(3) and 20 CSR 100-1.050(1)(H).<sup>3</sup>

3. In 11 instances, Pioneer failed to send notification letters to claimants advising them of the claim decision or the reason that a decision could not be made or setting forth the reasons additional time is needed for investigation in violation of § 375.1007(3), 20 CSR 100-1.050(1)(A), and 20 CSR 100-1.050(C).<sup>4</sup>

**WHEREAS**, the Division and Pioneer 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 (“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.** Pioneer agrees to take the following remedial actions to bring it into compliance with the statutes and regulations of Missouri and agrees to maintain these remedial actions at all times. Such remedial actions shall include the following:

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<sup>3</sup> A review of 39 delayed claims reflected that interest was incorrectly paid on 18 claims.

<sup>4</sup> There were 35 communication errors found in 11 files. These 11 files were part of the selective sample identified in footnote 2.

1. Within thirty days after the date of the Order approving this Stipulation, Pioneer agrees that it will adopt and implement procedures that will ensure timely investigations and/or decisions in regard to claims for death benefits.

2. Within ninety days after the date of the Order approving this Stipulation, Pioneer agrees that it will adopt and implement procedures to ensure that appropriate interest is calculated for and paid on late death benefit claim payments. Pioneer will also review late death benefit claims and pay the required interest to beneficiaries for a period of three years prior to the date of the Order approving this Stipulation.

3. Pioneer further agreed to conduct an audit of all Missouri life insurance death claims received from January 1, 2020 through the date of the signed Stipulation. For all claims that were paid beyond the 30 days after receipt of proof of loss, Pioneer will verify that the appropriate contractual or statutory interest rate was applied. If the audit identifies any instances where the interest rate paid on the delayed claims was less than the amount specified in the policy or by Missouri statute, Pioneer agrees to issue payment to the claimant for the underpaid or unpaid interest. Pioneer agrees that it will send this payment with a letter that states, "as a result of a Missouri market conduct investigation interest [or additional interest when applicable] was found to be payable on this death claim."

4. Within ninety days after the date of the Order approving this Stipulation, Pioneer agrees that it will adopt and implement procedures to ensure

that notification letters are prepared and sent to claimants in a timely manner advising them of a claim decision or the reason that a claim decision cannot be made.

C. **Compliance.** Pioneer agrees to file documentation with the Division, in a format acceptable to the Division, within ninety days of the entry of the final order approving this Stipulation of any remedial action taken to implement compliance with this terms of this Stipulation, as set forth in Paragraph B. All such documentation is provided pursuant to §374.190 and maintained by the Division under §374.071.

D. **Voluntary Forfeiture.** Pioneer agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$3,500, as detailed in this Stipulation, 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 Pioneer. This Stipulation is part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above-referenced Market Conduct Investigation.

F. **Waivers.** Pioneer, 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 hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the Market Conduct Investigation #382009.

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

H. **Counterparts.** This Stipulation may be executed in one or more counterparts, all of which shall be deemed an original and all of which, when taken together, shall constitute one and the same Stipulation. Execution and delivery of this Stipulation may be performed by e-mail or facsimile transmission.

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 Pioneer respectively.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department 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: May 10, 2023



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Teresa Kroll  
Chief Examiner, Market Conduct

Dated: May 9, 2023



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Name  
Title: President  
Pioneer American Insurance Company