



# Illinois Department of Insurance

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BRUCE RAUNER  
Governor

JENNIFER HAMMER  
Director

VIA USPS MAIL

September 28, 2018

Mr. Robert Mark Karfunkel  
President  
Standard Property & Casualty Insurance Company  
1028 South Grand Avenue  
Springfield, IL 62704

**Re: Standard Property & Casualty Insurance Company, NAIC 15199**  
***Market Conduct Executed Stipulation and Consent Order***

Dear Mr. Karfunkel:

Enclosed is your copy of the executed Stipulation and Consent Order. Proof of Compliance and payment of the \$22,200.00 civil forfeiture are due to the Department within 30 days of execution of the Order. Please make the check payable to Director of Insurance, State of Illinois.

Please contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Erica Weyhenmeyer".

Erica Weyhenmeyer  
Assistant Deputy Director - Market Conduct  
Illinois Department of Insurance  
320 West Washington St., 5th Floor  
Springfield, IL 62767  
Phone: 217-782-1790  
E-mail: [Erica.Weyhenmeyer@Illinois.gov](mailto:Erica.Weyhenmeyer@Illinois.gov)



IN THE MATTER OF:

STANDARD PROPERTY AND CASUALTY INSURANCE COMPANY  
1028 SOUTH GRAND AVENUE  
SPRINGFIELD, IL 62704

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Standard Property and Casualty Insurance Company ("the Company"), NAIC 15199, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain policies and procedures whereby the Company shall provide the insured a specific explanation of the reason or reasons for cancellation on as required by 215 ILCS 5/143.15.
2. Institute and maintain policies and procedures whereby the Company shall not exercise its option to cancel a policy that has been in effect 60 days, or a renewal policy, except for reasons permitted by statute as required by 215 ILCS 5/143.19.
3. Institute and maintain policies and procedures whereby the Company shall provide on the notice of nonrenewal, a specific explanation of the reasons for nonrenewal as required by 215 ILCS 5/143.17(e).
4. Institute and maintain policies and procedures whereby the Company shall provide a reasonable period of time for rehabilitation of property prior to cancellation, as required by 215 ILCS 5/143.27
5. Institute and maintain policies and procedures whereby the Company shall provide the insured who experienced a total loss the information contained in Exhibit A and will provide that information within seven (7) days of the insured vehicle being determined a total loss as is required by 50 Ill. Adm. Code 919.80(c).
6. Institute and maintain policies and procedures whereby the Company will maintain complete documentation in the claim file of how the market value of an insured vehicle was determined as required by 50 Ill. Adm. Code 919.80(c)(2)(E).
7. Institute and maintain policies and procedures whereby the Company shall reimburse the insured the applicable sales tax and transfer and title fees as required by 50 Ill. Adm. Code 919.80(c)(3)(A)(i).
8. Institute and maintain procedures to maintain documentation in each of its claim files, which permits its claims activities to be reconstructed as required by 50 Ill. Adm. Code 919.30(c).
9. Institute and maintain policies and procedures whereby the Company shall provide the insured with a reasonable written explanation for the delay when a claim remains unresolved for more than 40 days from the date it is reported as required by 50 Ill. Adm. Code 919.80(b)(2).

10. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above (9) orders within 30 days of execution of this Order.
11. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$22,200.00 to be paid within 30 days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of STANDARD PROPERTY AND CASUALTY INSURANCE COMPANY

  
\_\_\_\_\_  
Signature

Jeffrey Weissmann  
\_\_\_\_\_  
Name

General Counsel & Secretary  
\_\_\_\_\_  
Title

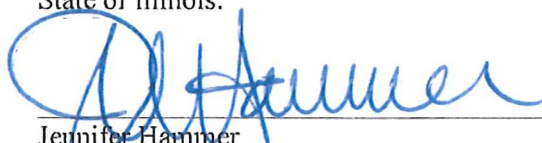
Subscribed and sworn to before me this  
17<sup>th</sup> day of September 2018.

  
\_\_\_\_\_  
Notary Public

**GYNINE MONTALTO**  
Notary Public, State of New York  
No. 01MO6341432  
Qualified in Queens County  
Certified in New York County  
Commission Expires May 2, 2020

DEPARTMENT OF INSURANCE of the  
State of Illinois:

DATE 9/24/18  
\_\_\_\_\_

  
\_\_\_\_\_  
Jennifer Hammer  
Director



