

**IN THE MISSOURI COURT OF APPEALS  
WESTERN DISTRICT**

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**COMPLETE TITLE OF CASE**

JOHN M. HUFF, DIRECTOR, DEPARTMENT OF INSURANCE, STATE OF MISSOURI,  
Respondent,  
v.  
THE INTEGRAL INSURANCE COMPANY,  
Respondent,  
ARIZONA PROPERTY AND CASUALTY INSURANCE GUARANTY FUND,  
Appellant.

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**DOCKET NUMBER WD73319**

**MISSOURI COURT OF APPEALS  
WESTERN DISTRICT**

**DATE:** November 1, 2011

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**APPEAL FROM**

The Circuit Court of Jackson County, Missouri  
The Honorable Charles E. Atwell, Judge

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**APPELLATE JUDGES**

Division Three: Karen King Mitchell, Presiding Judge, and James M.  
Smart, Jr., and Gary D. Witt, Judges

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**ATTORNEYS**

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Attorney for Respondents,

Ross S. Myers  
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Attorney for Appellant.

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**MISSOURI APPELLATE COURT OPINION SUMMARY**  
**MISSOURI COURT OF APPEALS, WESTERN DISTRICT**

**JOHN M. HUFF, DIRECTOR,** )  
**DEPARTMENT OF INSURANCE,** )  
**STATE OF MISSOURI,** )  
 )  
**Respondent,** )  
v. )  
 )  
**THE INTEGRAL INSURANCE** )  
**COMPANY,** )  
**Respondent,** )  
 )  
**ARIZONA PROPERTY AND CASUALTY** )  
**INSURANCE GUARANTY FUND,** )  
 )  
**Appellant.** )

**OPINION FILED:**  
**November 1, 2011**

WD73319

Jackson County

Before Division Three Judges: Karen King Mitchell, Presiding Judge, and  
James M. Smart, Jr., and Gary D. Witt, Judges

This is an insurance company liquidation case. The appellant is a foreign guaranty association that paid the claim of a person who was insured by an insurance company that was liquidated in Missouri. Respondent John M. Huff is the director of the department of insurance, who oversaw the liquidation of the insurance company. The primary issue is whether the guaranty association is entitled to reimbursement for its general administrative expenses, which it claims to have incurred in association with paying the insured's claim. We hold that general administrative expenses are not recoverable under section 375.1218.2. Accordingly, we affirm.

**AFFIRMED.**

**Division Three holds:**

The Director of the State of Missouri's Department of Insurance ("the Director") sent Appellant Arizona Property and Casualty Insurance Guaranty Fund ("the Arizona Fund") a

check for the principal amount it paid the single Arizona claimant, and therefore the circuit court did not err in overruling the Arizona Fund’s objection with respect to the principal amount.

Furthermore, the Arizona Fund was not entitled to its general administrative expenses incurred in conjunction with the single claim that it administered. When section 375.1218.2 is read in conjunction with section 375.1152(1)’s definition of “allocated loss adjustment expenses,” it becomes clear that general administrative expenses are not included within “all claims . . . of a foreign guaranty association” that the Director is required to pay.

In the alternative, the Arizona Fund failed to meet its burden in establishing the validity of its claims.

Accordingly, the circuit court did not err in overruling the Arizona Fund’s objection in that the Director reimbursed the Arizona Fund for the amount it paid to the lone Arizona claimant, and the Arizona Fund was not entitled to reimbursement for its general administrative expenses.

**Opinion by: Karen King Mitchell, Judge**

November 1, 2011

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THIS SUMMARY IS UNOFFICIAL AND SHOULD NOT BE QUOTED OR CITED.