

2. Despite seeking and requesting only “minimum limits” liability coverage for her automobile, Plaintiff was, without her request or knowledge, automatically charged for an “Accidental Death Benefit” (hereinafter “ADB”) by SafeAuto. Upon information and belief, this product is extremely profitable to SafeAuto, yet utterly worthless to insurance consumers known by SafeAuto to seek only “minimum limits” automobile insurance coverage. Most importantly, Plaintiff and other similarly situated insurance consumers sought only state “minimum limits” automobile insurance coverage, and ADB is not required under Missouri’s financial responsibility law.

3. SafeAuto’s automatic inclusion and assessment for the ADB “add-on” product was not a one-time, isolated occurrence. Rather, upon information and belief, SafeAuto’s centralized computer system is designed by corporate management to automatically include this highly profitable ADB “add-on” product for Missouri insurance consumers who believe they are purchasing “minimum limits” coverage.

4. SafeAuto’s automatic and unilateral practice of assessing and collecting these additional unauthorized charges, premiums, and fees on automobile insurance policies is conducted purposefully to obtain additional profits at the expense of an unknowing and specifically targeted class of Missouri insurance consumers. Given that SafeAuto advertises its automobile insurance policies as “minimum limits” coverage, SafeAuto is specifically targeting insurance consumers in Missouri who are seeking only to comply with Missouri’s financial responsibility law. Many of these insurance consumers do not know what is necessary to comply with Missouri’s financial responsibility law, and, as such, rely heavily and only on SafeAuto’s representations. SafeAuto’s practices are particularly troubling given the vulnerable nature of the non-standard insurance consumers who are the known target of SafeAuto’s practices.

5. Upon information and belief, the conduct challenged in this action is not the product of a “rogue agent” or random event; quite the opposite, this conduct stems from purposeful, standardized practices devised by SafeAuto’s corporate management. This class action, based upon these standard practices, seeks to provide relief to Missouri citizens who have been victimized by these improper business practices.

PARTIES, JURISDICTION, AND VENUE

6. Plaintiff Bernice Johnson (“Plaintiff”) is an adult resident and citizen of the State of Missouri, specifically Jackson County, Missouri. SafeAuto, sold to Plaintiff an alleged “minimum limits” automobile insurance policy and contract underwritten by SafeAuto, policy number MO00093915A-00.

7. SafeAuto is an Ohio corporation authorized to do business as an insurance company in the State of Missouri and regularly transacts business throughout Missouri and, in particular, Jackson County, Missouri.

8. As a foreign corporation authorized to conduct business as an insurance company in the State of Missouri, and pursuant to § 375.256 of the Revised Statutes of Missouri (hereinafter “RSMo”), SafeAuto may be served through the Director of Insurance at 301 W. High St., Room 530 in Jefferson City, Missouri.

9. SafeAuto markets and sells alleged “minimum limits” automobile insurance policies to non-standard insurance consumers throughout Missouri, and in particular, Jackson County, Missouri. These policies are sold by SafeAuto through the Internet and through SafeAuto’s call centers located throughout the United States. SafeAuto acted in conjunction and in conspiracy with its affiliates and agents in perpetrating the improper business practices in Missouri.

10. The causes of action pled by Plaintiff and members of the class assert no federal question or statute, and therefore do not arise under federal law. Plaintiff and the members of the class assert only state law causes of action. Plaintiff specifically denies any intent to state a cause of action arising under the laws of the United States of America, including any claim for injunctive relief available under federal law.

11. This Court has subject matter jurisdiction under § 478.070 RSMo. Exclusive of interest and costs, the amount in controversy does not exceed \$5,000,000.00; therefore federal jurisdiction would be improper pursuant to 28 U.S.C. §§ 1332(d), 1453, and 1711–1715.

12. SafeAuto purposefully availed itself of the laws of the State of Missouri by contracting for the sale of automobile insurance in the State of Missouri with citizens of the State of Missouri. Without enforcing consumer protection laws in the State of Missouri, companies that break the law will go unpunished. SafeAuto knew that by engaging in unfair practices and illegal conduct, consumers in the State of Missouri would be adversely affected. SafeAuto should have reasonably expected to be brought before the courts of the State of Missouri to answer for the practices at issue in this lawsuit.

FACTUAL ALLEGATIONS

13. SafeAuto underwrites and provides alleged “minimum limits” automobile insurance to non-standard insurance consumers in various states around the country, specifically in Missouri. SafeAuto sells its alleged “minimum limits” liability coverage to consumers over the Internet and through its various call centers located throughout the United States.

14. Since its inception, SafeAuto’s business model has been to offer alleged “minimum limits” automobile insurance as its core product to non-standard insurance consumers. Non-standard insurance is typically procured by those consumers, who due to financial constraints,

troubled credit histories, or otherwise, are unable to obtain or afford coverage through standard, more commonly known carriers.

15. SafeAuto's targeted customers are those who seek "minimum limits" liability coverage for their automobiles, i.e., automobile coverage necessary to comply with the minimum state mandated financial responsibility laws regarding automobile insurance coverage. As a business, SafeAuto benefits from the fact that most states, including Missouri, require drivers to obtain a minimum amount of automobile insurance coverage in order to legally drive on Missouri roads. SafeAuto knows that its customers purchase "minimum limits" automobile insurance only in order to comply with state law requiring all drivers to be insured.

16. Knowing that its potential insurance consumers are expressly seeking to comply with Missouri law, SafeAuto aggressively markets itself as a company specializing in providing easy, affordable, "minimum limits" personal automobile insurance in order to comply with state law. SafeAuto attracts customers through radio, television, Internet, and billboard marketing, which place heavy emphasis on availability of "minimum limits" automobile insurance coverage with a low down payment, low cost, and convenient payment options.

17. In aggressively marketing and promoting its "minimum limits" automobile insurance coverage, SafeAuto utilizes marketing slogans such as "Minimum Coverage for Minimum Budgets" and "We Keep You Legal For Less." According to its website, "At SafeAuto Insurance Company, we specialize in minimum coverage. This is good news if you are on a tight budget. Because with SafeAuto, you'll be able to meet the legal requirements for a price that won't break your budget . . . SafeAuto Insurance Company specializes in providing the minimum

insuring requirements for the states in which we market our insurance . . . SafeAuto offers you quality, low cost state required minimum limit car insurance.”¹

18. SafeAuto markets its alleged “minimum limits” automobile insurance throughout Missouri through television, radio, Internet, and print media. Its insurance sales are made directly to consumers, as SafeAuto does not maintain any agents, officers, or retail locations in Missouri or any other state in which it sells insurance. Rather, SafeAuto sells and services its alleged “minimum limits” automobile insurance directly through its company-owned call centers, which, upon information and belief, are fully integrated into SafeAuto’s quote and policy issuance computer systems and do not vary across locations. This integration allows for streamlined assessment of the ADB “add on” product.

19. Upon information and belief, SafeAuto’s marketing strategy is designed and intended to encourage non-standard insurance consumers to call for a quote on the alleged “minimum limits” automobile insurance coverage and to ultimately complete an insurance transaction. By design, however, “minimum limits” automobile insurance coverage is not what the non-standard insurance consumer receives when he or she calls for a liability insurance quote from SafeAuto. Instead, SafeAuto deceptively quotes and sells alleged “minimum limits” automobile insurance coverage that contains the ADB “add-on” product that is not necessary to comply with Missouri’s financial responsibility law.

20. Upon information and belief, although SafeAuto knows that its targeted customers are struggling financially and seek only “minimum limits” automobile insurance sufficient to comply with Missouri law, SafeAuto engages in a systematic and widespread practice in Missouri of automatically - - - without consumer knowledge or consent - - - including the highly profitable

¹ <http://www.safeauto.com>

ADB “add-on” product to its alleged “minimum limits” liability quote provided to the consumer. The ADB “add-on” product is included in the quote and subsequently into the automobile insurance policy eventually purchased by the consumer. In other words, a consumer who requests a “minimum limits” automobile insurance quote and policy from SafeAuto will not receive a quote and policy for what he or she requested; instead, he or she will receive a quote that includes a worthless ADB “add on” product at an additional cost that is not revealed.

21. Upon information and belief, corporate management at SafeAuto’s home office has intentionally programmed its computer system used by all call centers and selling locations serving Missouri to automatically include this ADB “add-on” product in every quote given and policy issued in Missouri. This ADB “add-on” product is not necessary to comply with Missouri’s financial responsibility law as SafeAuto has led insurance consumers in Missouri to believe.

22. Upon information and belief, the ADB “add-on” product is worthless, unnecessary, and is included in the insured’s policy merely as a deceptive and improper means to obtain additional revenue at the expense of unknowing Missouri insurance consumers. The ADB “add-on” product automatically included in the quotes and policies by SafeAuto is a worthless fiction that provides no benefit to unknowing consumers. Upon information and belief, the claims rate and loss ratios associated with the ADB “add-on” product is so low that it is virtually non-existent. In fact, most SafeAuto customers are unaware that the unrequested, unnecessary “add-on” products has been automatically placed in their quote and alleged “minimum limits” policy at an additional cost.

23. Upon information and belief, SafeAuto assumes nearly zero risk in insuring the ADB “add-on” product. With little to no risk, the “add-on” product generates huge returns for SafeAuto while simultaneously providing absolutely no value to Plaintiff and other Missouri

insurance consumers. It is difficult to conceive of why a consumer, who like a majority of SafeAuto's customers, seeks only the "minimum limits" automobile insurance coverage, would also want an "add-on" product like ADB. The virtually non-existent claims rate and loss ratios associated with the ADB "add-on" product evidences its illusory nature.

24. Upon information and belief, because the ADB "add-on" product is extremely profitable for SafeAuto, the corporate management of SafeAuto has intentionally created and strictly enforces a corporate climate that places heavy emphasis on mandated figures and "sales" surrounding the ADB "add-on" product.

25. Upon information and belief, when providing insurance quotes for what consumers believe are "minimum limits" automobile insurance policies, SafeAuto's representatives are trained, instructed, and required to quote insurance consumers the amount of the down payment and monthly payments so that the insurance consumers cannot determine the total cost of the insurance quote or the cost of the separate ADB "add-on" product that SafeAuto has deceptively included in its quote. Upon information and belief, SafeAuto's representatives are trained, instructed, and required not to disclose to these vulnerable Missouri consumers that the separate ADB "add-on" product has been included or carries an additional cost separate from the alleged "minimum limits" automobile insurance policy sought by the consumer.

26. Most SafeAuto customers, like Plaintiff, have no knowledge that they have purportedly "purchased," in addition to the "minimum limits" automobile insurance liability policy they sought, a separate ADB "add-on" product at exorbitant premiums.

27. Upon information and belief, SafeAuto's conduct is not the product of a "rogue agent" or isolated occurrence, but rather part of a widespread systematic scheme created, implemented, and overseen by SafeAuto's corporate management. SafeAuto's automatic and

unilateral practice of charging and collecting additional unauthorized charges and fees on automobile insurance policies sold by SafeAuto to Missouri consumers is conducted purposefully to obtain additional profits at the expense of unknowing Missouri consumers.

28. Plaintiff was a victim of the improper and deceptive practices described herein. Upon viewing multiple SafeAuto television commercials and hearing several radio advertisements promoting its “minimum limits” automobile insurance, named Plaintiff Bernice Johnson contacted SafeAuto. Plaintiff contacted SafeAuto with intention of, as promoted by SafeAuto’s marketing materials, complying with Missouri’s financial responsibility law and obtaining “minimum limits” automobile insurance coverage. However, despite requesting only “minimum limits” automobile insurance coverage, Plaintiff was, without her consent, automatically assessed and billed amounts in excess of the coverage she thought she was purchasing. Plaintiff was billed and assessed for an unwanted ADB “add-on” product without her consent. This ADB “add-on” product was assessed by SafeAuto to Plaintiff through SafeAuto’s division of the premium into monthly payments. After purposefully and intentionally deceiving Plaintiff as to the type, amount and legal impact of the coverage she was purchasing, SafeAuto collected and retained those unrequested premiums from Plaintiff.

29. Plaintiff’s payment of these improper additional premiums and fees was not made knowingly or voluntarily, as certain material facts were not known to Plaintiff. Specifically, SafeAuto made representations to Plaintiff regarding the amount, type, cost and legal impact of the coverage she was purchasing. SafeAuto’s well-designed artifice, coupled with Plaintiff’s confidence in the representations of SafeAuto as to what constituted “minimum limits” automobile insurance coverage in Missouri and the cost of her policy resulted in Plaintiff paying exorbitant premiums for these unnecessary products.

30. As stated above, SafeAuto's assessment and Plaintiff's payment of these additional charges for the ADB "add-on" product was neither a singular, nor isolated incident. To the contrary, it was a result of carefully planned business practice implemented by SafeAuto, in conjunction with its affiliated entities and agents. The clear goal and result of these unnecessary and deceptive charges was to obtain additional profits at the expense of vulnerable, unsuspecting consumers in Missouri. Upon information and belief, the computer system utilized by SafeAuto in quoting, selling and processing "minimum limits" automobile insurance policies in Missouri is intentionally designed to automatically and more efficiently perpetrate the deceptive business practices described herein.

CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action under Rules 52.08(a) and 52.08(b)(3) of the Missouri Rules of Civil Procedure, on behalf of herself and others similarly situated in the State of Missouri and defined as follows:

All Missouri citizens residing in the State of Missouri, who, within three years prior to the filing of Plaintiff's Petition, purchased automobile insurance from SafeAuto and were assessed and paid premium amounts for an Accidental Death Benefit product and who did not make a claim on the Accidental Death Benefit product.

32. The requirements of Rule 52.08, including numerosity, typicality, adequacy, predominance and/or superiority, are satisfied.

33. **Numerosity:** The members of the proposed class are so numerous that joinder of all members is impracticable. On information and belief, the proposed class includes thousands of members. The precise number of members of the proposed class can readily be ascertained through discovery, which will include all insurance policies SafeAuto issued to Missouri consumers.

34. **Existence and Predominance of Common Questions of Law and Fact:** There is a well-defined community of interest and common questions of law and fact which predominate over any questions affecting only individual members of the proposed class. These common legal and factual questions, which do not vary from one class member to another, and which may be determined without reference to the individual circumstances of any class member, include, but are not limited to the following:

- a. Whether SafeAuto participates and engages in a widespread, systematic, deceptive and unfair trade practice by assessing and collecting unauthorized premiums for the ADB “add-on” product that is automatically and secretly included in automobile insurance policies sold by SafeAuto;
- b. Whether SafeAuto has breached its contract with insureds by secretly including the ADB “add on” product into insureds’ contracts with SafeAuto when the ADB “add on” product was not requested, not desired, and not necessary to comply with Missouri’s financial responsibility law;
- c. Whether SafeAuto has intentionally designed or manipulated its computer system to automatically include these “add-on” products in every insurance transaction;
- d. Whether SafeAuto has been unjustly enriched by virtue of the assessment of the additional charges and fees that are not authorized; and
- e. Whether Plaintiff and members of the class are entitled to class relief as requested herein.

35. **Typicality:** The representative Plaintiff’s claims are typical of the claims of the members of the class. Plaintiff and all class members have been injured by the same wrongful practices in which SafeAuto has engaged. Plaintiff’s claims arise from the same practices and course of conduct that give rise to the claims of the class members and are based on the same legal theories.

36. **Adequacy:** Plaintiff is a representative who will fully and adequately assert and protect the interests of the class, and has retained class counsel who are experienced and qualified in prosecuting class actions and, specifically, class actions concerning unfair trade practices in Missouri. Neither Plaintiff nor her attorneys have any interests which are contrary to or conflicting with the class.

37. **Superiority:** A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit, because individual litigation of the claims of all class members is economically unfeasible and procedurally impracticable. While the aggregate damages sustained by the class are in the hundreds of thousands or millions of dollars, the individual damages incurred by each class member resulting from SafeAuto's wrongful conduct are too small to warrant the expense of individual suits. The likelihood of individual class members prosecuting separate claims is remote, and even if every class member could afford individual litigation, the court system would be unduly burdened by individual litigation of such cases. Individual members of the class do not have a significant interest in individually controlling the prosecution of separate actions, and individualized litigation would also present the potential for varying, inconsistent, or contradictory judgments and would magnify the delay and expense to all parties and to the court system resulting from multiple trials of the same factual issues. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action. Relief concerning Plaintiff's rights under the laws herein alleged and with respect to the class would be proper.

38. Class action treatment is proper and this action should be maintained as a class action pursuant to Rule 52.08(a) and 52.08(b)(3) because questions of the law and fact predominate

over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

COUNT I

UNJUST ENRICHMENT

39. Plaintiff hereby incorporates and re-alleges, as though fully set forth herein, each and every non-conflicting allegation set forth in the preceding paragraphs of this Class Action Petition into this Count I.

40. Under the circumstances outlined herein, SafeAuto has been unjustly enriched by virtue of the improper business practices described herein.

41. SafeAuto obtained this unjust enrichment by assessing Plaintiff and members of the class for the ADB “add on” product that they did not request and for which they were not aware they were billed.

42. It would inequitable and unjust for SafeAuto to retain such ill-gotten gains, which SafeAuto has received as a result of its misconduct.

43. Accordingly, this Court should require that SafeAuto disgorge all amounts collected from the ADB “add-on” product and return those monies to Plaintiff and the members of the class.

WHEREFORE, Plaintiff requests that judgment be granted against Defendant in an amount that is fair and reasonable and that Plaintiff receives such other relief as the Court deems proper and just under the circumstances.

COUNT II

BREACH OF CONTRACT

44. Plaintiff hereby incorporates and re-alleges, as though fully set forth herein, each and every non-conflicting allegation set forth in the preceding paragraphs of this Class Action Petition into this Count II.

45. Plaintiff and members of the class contracted with SafeAuto to purchase “minimum limits” automobile insurance as advertised and offered by SafeAuto.

46. SafeAuto understood that Plaintiff and members of the class sought only to comply with Missouri’s financial responsibility law and did not desire additional automobile insurance liability coverage.

47. Plaintiff and members of the class paid insurance premiums to SafeAuto for what they believed was “minimum limits” automobile insurance.

48. SafeAuto has systematically violated contracts with those consumers who purchased “minimum limits” automobile insurance from SafeAuto in Missouri by, among other things:

- a. Unilaterally and automatically assessing and collecting additional and improper premiums for the ADB “add-on” product that was not requested or authorized by the consumer;
- b. Unilaterally and improperly assessing and collecting additional premiums for the ADB “add-on” product that was not authorized under the consumer contracts;
- c. Unilaterally and automatically assessing and collecting additional payments for the unrequested ADB “add-on” product, resulting in premiums, charges, and fees in excess of those authorized by the consumer; and

d. Violating SafeAuto's duty of good faith and fair dealing by failing to include within the "minimum limits" automobile policy sought and purchased by Plaintiff only the minimum limits coverage expressly requested, authorized, and agreed to by Plaintiff and members of the class. Instead, SafeAuto unilaterally and without permission or consent included premiums for the unrequested ADB "add-on" product that is not required to comply with Missouri's financial responsibility law;

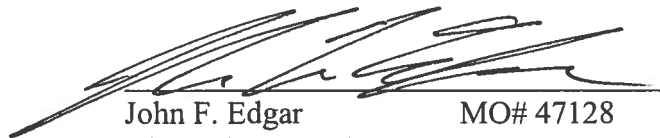
49. As a result of SafeAuto's breach, Plaintiff and members of the class are entitled to recover all available compensatory damages, including interest and costs.

WHEREFORE, Plaintiff requests that judgment be granted against Defendant in an amount that is fair and reasonable and that Plaintiff receives such other relief as the Court deems proper and just under the circumstances.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

Respectfully Submitted,



John F. Edgar MO# 47128

Alexander T. Ricke MO# 65132

EDGAR LAW FIRM LLC

1032 Pennsylvania Ave.

Kansas City, MO 64105

Telephone: (816) 531-0033

Facsimile: (816) 531-3322

Email: jfe@edgarlawfirm.com

atr@edgarlawfirm.com

William E. Niffen II MO# 40524
BARLOW & NIFFEN, PC
406 Armour Road, Suite 250
North Kansas City, MO 64116
Telephone: (816) 842-9009
Facsimile: (816) 221-8040
Email: bniffen@gmail.com

ATTORNEYS FOR PLAINTIFF