

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF ACE )  
AMERICAN INSURANCE COMPANY )

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CONSENT ORDER

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

ACE AMERICAN INSURANCE COMPANY ("ACE AMERICAN"), whose mailing address of record is PO Box 1010 Philadelphia, PA 19106, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

ACE AMERICAN is aware the South Dakota Division of Insurance ("Division") has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

- 1) ACE AMERICAN failed to timely file a First Report of Injury Form concerning state claim number 1472694 in violation of SDCL § 62-6-3;
- 2) The Division has previously investigated ACE AMERICAN for violations of SDCL § 62-6-3;
- 3) The above-cited conduct provides grounds for the revocation or suspension of ACE AMERICAN'S certificate of authority in South Dakota pursuant to SDCL § 58-6-46;

ACE AMERICAN is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for ACE AMERICAN agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

ACE AMERICAN agrees to a monetary penalty in the amount of \$2,500 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally;

ACE AMERICAN further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

ACE AMERICAN further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that ACE AMERICAN pay a monetary penalty in the amount of \$2,500 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

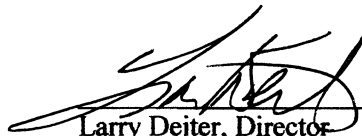
ORDERED that should ACE AMERICAN fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of ACE AMERICAN's Certificate of Authority at hearing pursuant to SDCL § 58-6-46, or seek other remedies available at law; and it is further

ORDERED that ACE AMERICAN abide by the agreements made by it in this Consent Order; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

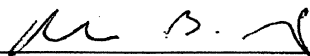
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 21<sup>st</sup> day of November, 2016.

  
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Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of ACE AMERICAN, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 16 day of November, 2016.

  
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Signature of Authorized Representative

Richard Raup  
\_\_\_\_\_  
Printed Name

VP, Vendor Management  
\_\_\_\_\_  
Title