

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

IN THE MATTER OF STATE MUTUAL)
INSURANCE COMPANY)

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:

STATE MUTUAL INSURANCE COMPANY ("STATE MUTUAL"), whose address of record is 210 East 2nd Avenue, Roma, GA 30161, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

STATE MUTUAL is aware that the South Dakota Division of Insurance ("Division"), part of the Department of Labor and Regulation ("DLR"), has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

- 1) STATE MUTUAL accepted business from producers who were not appointed with the company in violation of SDCL §§ 58-30-171 and 58-30-176;
- 2) Any of the above-cited conduct provides grounds for the revocation or suspension of STATE MUTUAL's certificate of authority in South Dakota pursuant to SDCL § 58-6-46;

STATE MUTUAL represents commissions were paid to its appointed insurance agency and the alleged violations are a result of a system programming error that has been resolved;

STATE MUTUAL 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 STATE MUTUAL 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;

STATE MUTUAL agrees to a monetary penalty in the amount of \$5,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

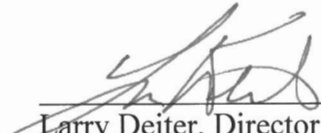
STATE MUTUAL further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that STATE MUTUAL pay a monetary penalty in the amount of \$5,000 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 STATE MUTUAL fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of STATE MUTUAL'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 the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 10th day of August, 2018.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of STATE MUTUAL, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 1 day of August, 2018.



Signature of Authorized Representative

Delos H. Yancey, III.
Printed Name

Chairman, President and CEO
Title