

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

IN THE MATTER OF EMPLOYERS MUTUAL CASUALTY 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:

EMPLOYERS MUTUAL CASUALTY COMPANY ("EMC"), whose address of record is 717 Mulberry St., Des Moines, IA 50309, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

EMC is aware that 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) EMC failed to appoint 77 producers who applied or issued 391 EMC policies or applications to South Dakota consumers, in violation of SDCL §§ 58-1-5, 58-30-175, and 58-30-176;
- 2) EMC failed to pay the appointment fee for the 77 unappointed producers, in violation of SDCL § 58-30-178;
- 3) EMC allowed 48 insurance producers to sell, solicit, or negotiate 182 EMC policies or applications to South Dakota consumers without proper licensure in South Dakota, in violation of SDCL §§ 58-1-5 and 58-30-143;
- 4) Pursuant to SDCL § 58-30-176, EMC is responsible for the acts of its representatives and insurance producers, including those who have solicited, sold, or negotiated insurance on the behalf of EMC prior to the date of appointment;
- 5) Any of the above-cited conduct may be grounds for the revocation or suspension of EMC's certificate of authority pursuant to SDCL §§ 58-1-5, 58-6-46, 58-30-143, 58-30-175, 58-30-176, and 58-30-178;

EMC 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 EMC 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;

EMC agrees to a monetary penalty in the amount of \$125,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

EMC 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;

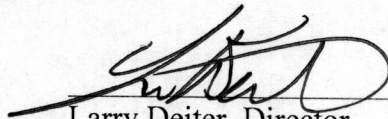
Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that EMC pay a monetary penalty in the amount of \$125,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that should EMC fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of EMC'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 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.

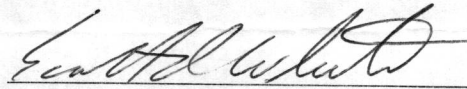
Dated at Pierre, South Dakota this 22nd day of July, 2019.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of EMC, 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 17th day of July, 2019.



Signature of Authorized Representative

Scott D. Whitaker

Printed Name

Regulatory Compliance MGR
Title ASSISTANT Secretary.