

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

IN THE MATTER OF HUTTERIAN)	
BRETHREN MUTUAL)	CONSENT ORDER
INSURANCE COMPANY)	

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

HUTTERIAN BRETHREN MUTUAL INSURANCE COMPANY (“HB MUTUAL”), whose address of record is 703, 1661 Portage Avenue, Winnipeg, Manitoba R3J3T7, Canada, is an insurer applicant in the State of South Dakota;

HB MUTUAL is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation into its insurance related business;

The Division has alleged the following:

- 1) HB MUTUAL began selling insurance in South Dakota by January 1, 2005 to six Hutterite Colonies in South Dakota;
- 2) HB MUTUAL does not have a Certificate of Authority in South Dakota in violation of SDCL § 58-6-1;
- 3) HB MUTUAL has received premiums from South Dakota insureds since January 1, 2005 and has not remitted premium tax to the Division in violation of SDCL § 10-44-2;
- 4) HB MUTUAL has not filed and approved rates or form with the Division in violation of SDCL §§ 58-11-12 and 58-24-10, respectively;
- 5) HB MUTUAL has cancelled policies in South Dakota in violation of SDCL §§ 58-33-60 and 58-33-61;
- 6) HB MUTUAL submitted application materials for a Certificate of Authority on October 18, 2013;
- 7) The above-cited conduct constitutes grounds pursuant to SDCL §§ 10-44-2, 58-6-1, 58-6-12, 58-11-12, 58-24-10, 58-33-60, and 58-33-61 to deny HB MUTUAL’s insurer application and/or to issue a Cease and Desist Order;

HB MUTUAL is aware of and understands the nature of the charges and has been informed that he has the right to counsel, hearing and appeal and that by agreeing to and signing this Consent Order, waives these rights;

In return for HB Mutual agreeing to and complying with the provisions of this Consent Order, the Division agrees not to proceed to administrative hearing and agrees that this Consent Order will constitute the final disposition of this licensing matter pursuant to SDCL § 1-26-20;

HB MUTUAL agrees to pay a \$10,000 monetary penalty pursuant to 58-4-28.1 for the above-cited conduct;

HB MUTUAL further agrees to pay all back premium tax on all premiums received from South Dakota insureds and to remit other materials required by SDCL § 58-6-12 within 30 days from the effective date of this Consent Order;

HB MUTUAL further agrees to file all forms and rates used in South Dakota pursuant to SDCL Chapters 58-11 and 58-24;

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

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

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that HB MUTUAL pay a monetary penalty in the amount of \$10,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota to be remitted at the time of the remittance of this Consent Order; and it is further

ORDERED that HB MUTUAL pay all back premium tax on all premiums received from South Dakota insureds and to remit other materials required by SDCL § 58-6-12 within 30 days from the effective date of this Consent Order;

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

ORDERED that HB MUTUAL's insurer application for a Certificate of Authority, as submitted on October 18, 2013, is approved as of the date of 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.

[Signature page follows]

[Signature page of Consent Order: In the Matter of Hutterian Brethren Mutual Insurance Company]

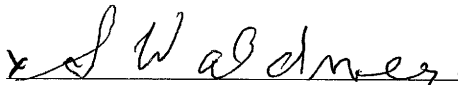
Dated at Pierre, South Dakota this 20th day of October, 2013.



Merle Scheiber, Director
South Dakota Division of Insurance

The undersigned, on behalf of HB 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 1st day of October, 2013.



Signature of Authorized Representative

Samuel Waldner

Printed Name

Title President