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:

AMERICAN CASUALTY CO. OF READING, PA; CONTINENTAL CASUALTY CO.; NATIONAL FIRE INS. CO. OF HARTFORD; TRANSPORTATION INS. CO.; and VALLEY FORGE INS. CO.; whose addresses of record is 333 S. Wabash Ave, Chicago, IL 60685, collectively referred to hereafter as “The CNA Companies”, hold certificates of authority to do business in the State of South Dakota;

The CNA Companies are aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation into their business activity in South Dakota;

The Division alleges the following:

1) The CNA Companies violated SDCL §§ 58-24-10 and 58-33-36;

2) Any of the above-cited conduct may be grounds for the revocation or suspension of The CNA Companies’ certificates of authority pursuant to SDCL §§ 58-6-46, 58-24-10, and 58-33-36;

The CNA Companies are aware of and understands the nature of these allegations and have been informed that they have the right to a notice of hearing, administrative hearing, counsel, and an appeal; and that by agreeing to sign this Consent Order, they are agreeing to waive these rights;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, The CNA Companies neither admit to nor deny any violations of the laws of the State of South Dakota, but waive their right to contest the allegations contained in this Consent Order;
In return for The CNA Companies 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 an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

The CNA Companies further agree to pay an aggregate monetary penalty of $15,000 pursuant to SDCL §§ 58-6-46 and 58-4-28.1, in lieu of contesting this matter formally.

The CNA Companies agree 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;

The CNA Companies further agree to conduct themselves in accordance with the insurance laws and regulations of the State of South Dakota;

The Division and the CNA companies agree that this Consent Order will be the sole action taken by the Division, in regards to all the rating errors reported to the Division as of the date of this Order, associated with the companies Connect business owners polices, commercial auto policies, and workers compensation policies.

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that The CNA Companies pay an aggregate monetary penalty in the amount of $15,000 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 The CNA Companies abide by the agreements made 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.

[The remainder of this page is intentionally left blank.]
Dated at Pierre, South Dakota this 5\textsuperscript{th} day of January, 2014.

Larry Deier, Director
South Dakota Division of Insurance

The undersigned, on behalf of The CNA Companies, represents the companies understand the terms of this Consent Order and the waiver of their due process rights and voluntarily enter into this Consent Order.

Dated this 20\textsuperscript{th} day of December, 2017.

Signature of Authorized Representative

Michael P. Warnick

Printed Name
SVP, Deputy General Counsel
and Chief Compliance Officer

Title