

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

IN THE MATTER OF)	
STATE MUTUAL)	CONSENT ORDER
INSURANCE COMPANY)	

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 1 State Mutual Drive, NW, Rome, GA 30165, 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”) has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

1. STATE MUTUAL issued guaranteed renewable accident insurance policies in South Dakota under filing SMACC2019SD (the “Policies”);
2. During the period of the Division’s review, STATE MUTUAL’s Policies did not meet the minimum loss ratio (MLR) of 60% as required by ASRD 20:06:22:02, in violation of SDCL 58-1-5 and 58-17-4.2;
3. STATE MUTUAL conferred with the Division and filed a mutually agreed rate decrease for the Policies in January 2024;
4. The above-cited conduct may be grounds for the revocation or suspension of STATE MUTUAL’s certificate of authority pursuant to SDCL 58-6-46;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, STATE MUTUAL neither admits to nor denies any violation of the laws of the State of South Dakota, but waives its right to contest this Consent Order in any future actions or licensing procedures with the Division;

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 \$50,000 pursuant to SDCL 58-4-28.1, in lieu of contesting this matter formally; and

STATE MUTUAL further agrees to provide the Division with MLR data for the years ending 2024, 2025, and 2026, and to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that STATE MUTUAL pay a monetary penalty in the amount of \$50,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

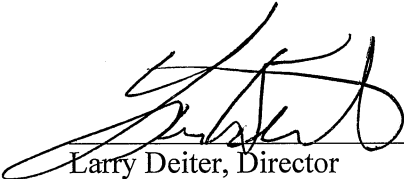
ORDERED that STATE MUTUAL abide the agreements made by it in this Consent Order;

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 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.

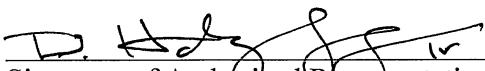
Dated at Pierre, South Dakota this 16th day of February, 2024.



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 15th day of February, 2024.



Signature of Authorized Representative

D. Harley Yancy

Printed Name

President

Title