

herein by this reference. The Examination Report found that that ANICO issued policies with racially differentiated premiums from 1936-1939 and from 1948-1964, at which time ANICO discontinued the sale of such policies. The Examination Report identified 40,010 affected Industrial policies and 68 affected Ordinary policies, for a total of 40,078 affected policies. Of these affected policies, 351 policies were issued to residents of Oregon.

Multi-State Regulatory Settlement Agreement

Texas and ANICO entered into a Multi-State Regulatory Settlement Agreement (Agreement), dated 6/9/04, which is incorporated herein by this reference. In the Agreement, ANICO agreed, *inter alia*, to provide certain remedial benefits to former and current policyholders; and to pay administrative penalties, totaling \$250,000, to the participating states. Of this amount, \$2,117 is to be paid to Oregon.

Action

ANICO shall comply with the Agreement as it applies to Oregon.

Pursuant to ORS 731.988, ANICO is assessed a civil penalty of \$2,117. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment is due on, and shall be received by the Insurance Division by the date specified in Section VI.A of the agreement.

Dated August 9, 2004

/s/ G. R. Ferdinandtsen
[Signature of Representative]

G. Richard Ferdinandtsen
[Printed Name of Representative]

President and Chief Operating Officer
[Printed Title of Representative]

American National Insurance Company

FINAL ORDER

The director adopts, and incorporates herein by this reference, the above stipulation as the director's final decision in this proceeding.

In accordance with Section II. E. of the Agreement, the director specifically:

1. Acknowledges the authority of the insurance regulator for the State of Texas, as the Lead Regulatory Negotiator, as described in the Agreement.
2. Incorporates the Agreement herein by this reference and makes a copy thereof as an exhibit to this Final Order.
3. Adopts and agrees to the provisions of the Agreement.
4. Specifies that the amount of the administrative penalty to be paid to Oregon is \$2,117.

Dated August 27, 2004

/s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services

//
//
//