

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Country Mutual Insurance Company.**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 00-04-007
) File No. 2301 IV

STIPULATION

The Director of the Department of Consumer and Business Services (Director) has commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256(1), to take action against Country Mutual Insurance Company (CMIC) for violating certain provisions of the Oregon Insurance.

CMIC enters into this stipulation to conclude this proceeding without further administrative or judicial proceedings pursuant to ORS 183.415(5).

CMIC waives the right to receive a notice of proposed action, notice of rights and notice of judicial review, to have a hearing and to be represented by an attorney at the hearing, and to judicial review of the final order.

CMIC admits and agrees to the following:

Facts

Licensing

CMIC is an Illinois corporation. Ronald R. Warfield is the President of CMIC. CMIC's main administrative office is 1701 Towanda Avenue, Bloomington, IL 61701. CMIC's mailed address is PO Box 2100 Bloomington IL 61702-2100. CMIC has been licensed in Oregon as a foreign insurer since March 25, 1987. CMIC's Insurance Division company no. is 2648 and its National Association of Insurance Commissioners' (NAIC) identification no. is 020990.

Use of Unapproved Rates

From August 3, 1999 to November 4, 1999, CMIC issued 15 homeowners insurance policies to owners of homes in the Powell Butte, Oregon area. CMIC

calculated the premium rates for these policies by using a fire protection class four instead of nine as required by CMIC's premium rate filing then in effect. As a result, CMIC charged \$5,104.08 less than it should have charge for the insurance.

Ultimate Facts

CMIC issued an insurance policy and charged a premium for such policy that was not in accordance with the rate filing that was in effect for the insurer in 15 instances.

Conclusions

CMIC violated ORS 737.330 in 15 instances.

Action

CMIC shall pay a civil penalty of \$20,000 pursuant to ORS 731.988 on or before the date of the Final Order.

Dated May 11, 2000.

/s/ Ronald R. Warfield
Ronald R. Warfield
President
Country Mutual Insurance Company

FINAL ORDER

The Director adopts, and incorporates herein by this reference, the Facts, Ultimate Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Ultimate Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated May 31, 2000.

/s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services

CERTIFICATE OF SERVICE

I certify that on May 31, 2000 I served the above Stipulation and Final Order by mailing a copy thereof in a sealed envelope, with first class postage prepaid, to the party named therein.

/s/ Mitchel D. Curzon
Mitchel D. Curzon
Administrative Law Specialist
Insurance Division