

STATE OF NORTH DAKOTA  
BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	CONSENT ORDER
World Insurance Company,	)	
FEIN 47-0339860,	)	FILE NO. CO-13-421
	)	
Respondent.	)	

Insurance Commissioner Adam Hamm (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D.C.C. § 26.1-01-03.
2. World Insurance Company, FEIN 47-0339860 (hereinafter "Respondent"), was a foreign insurance company domiciled in Nebraska and licensed to do business in North Dakota pursuant to N.D.C.C. ch. 26.1-11. Effective March 31, 2013, Respondent merged into American Republic Insurance Company.
3. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order is made in the public interest.
4. The North Dakota Insurance Department (hereinafter "Department") came into information that Respondent appeared to have implemented two rate increases within a one-year period. Multiple rate increases within a one-year period are not considered reasonable under N.D.C.C. § 26.1-30-19(3).
5. On June 25, 2008, the Department approved a rate increase for Respondent to be implemented no sooner than August 1, 2008. The Department *again*

approved a rate increase for Respondent on April 7, 2009, to be implemented no sooner than August 1, 2009. Respondent submitted a request for a rate increase on October 15, 2009, that the Department disapproved on December 14, 2009. However, according to Exhibit E of this filing the previous rate increase, to be implemented no sooner than August 1, 2009, became effective June 1, 2009, two months prior to the Department's approved effective date.

6. Respondent admitted that due to an oversight between its rate filing area and its implementation area, Respondent implemented two premium increases within a one-year period. Upon review of the matter, Respondent found 18 insureds that were affected by the premature rate increase and has provided refunds to the insureds.

7. As a result of information obtained by the Department regarding the conduct of Respondent, the Commissioner has considered scheduling a formal hearing to determine whether Respondent's conduct, as alleged, constitutes a basis for imposition of civil penalty, or any action that the Commissioner deems necessary.

8. As a result of the above violation, Respondent is subject to payment of an administrative monetary penalty of up to \$10,000 under N.D. Cent. Code § 26.1-01-03.3.

9. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under N.D. Cent. Code § 28-32-22.

10. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent is assessed an administrative penalty in the amount of \$1,000 which shall be paid within 15 days of the execution of this Order.
2. The use of this Consent Order for competitive purposes by an insurance agent or agency holding a license in the State of North 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.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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Adam Hamm  
Insurance Commissioner  
State of North Dakota

#### CONSENT TO ENTRY OF ORDER

The undersigned, SUSAN VOSS, on behalf of **World Insurance Company** (hereinafter "the Company") states that the undersigned has read the foregoing Consent Order and is authorized by the Company to consent to the entry of this order. The undersigned, on behalf of the Company, fully understands the contents and effect of the Consent Order. The Company has been advised of its right to be represented by legal counsel, to request a hearing in this matter, to present evidence and arguments to the Commissioner, and of its right to appeal from an adverse determination after hearing. That by the signing of this Consent to Entry of Order, the undersigned waives those rights in their entirety and consents to the entry of this Consent Order by the Commissioner of Insurance and agrees to be bound by it. It

is further expressly understood that this Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

DATED this 20<sup>th</sup> day of May, 2014.

World Insurance Company

By: Juan A. Vasquez  
Name  
General Counsel  
Title

Subscribed and sworn to before me

this 20 day of May, 2014.

[Signature]  
Notary Public

My Commission Expires: 3-19-16

