

STATE OF NORTH DAKOTA

BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of)	
)	
North American Insurance Company,)	CONSENT ORDER
FEIN 39-1052096,)	
)	
Respondent.)	

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1 and N.D. Cent. Code § 28-32-05.1.
2. North American Insurance Company, FEIN 39-1052096 (hereinafter "Respondent") is a Wisconsin domiciled company.
3. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order, and this Consent Order is made in the public interest.
4. Respondent has been duly apprised of all obligations contained herein.

Respondent and the Commissioner have agreed to an informal disposition of this matter, without further administrative proceedings, as provided under N.D. Cent. Code § 28-32-05.1, and enter into the following Consent Order. As such, the Commissioner and Respondent agree as follows:

5. N.D. Cent. Code § 26.1-02-05 states, in part:

An insurance company may not transact insurance business in this state . . . without a certificate of authority from the commissioner.
6. Respondent purchased a block of Medicare supplement insurance business from

the State of Wisconsin, Department of Insurance, in 1987. The prior carrier, Reliable Life and Casualty and ITT, filed for bankruptcy in or about 1981 and the policies were being administered through another carrier under the supervision of the State of Wisconsin.

7. The block of business purchased by the Respondent contained approximately 32 North Dakota policyholders. At the time of the assumption Respondent did not have a Certificate of Authority to transact business in North Dakota.

8. Respondent was notified by the Department that by taking over said block of business, Respondent acted as an unauthorized insurer in violation of N.D. Cent. Code § 26.1-02-05 and that it had to obtain a Certificate of Authority because of the assumption of the North Dakota business.

9. Respondent entered into a Consent Order with the Commissioner of Insurance on June 5, 1998, for acting as an unauthorized insurer in violation of N.D. Cent. Code § 26.1-02-05. In a letter to the Department dated June 5, 1998, Respondent stated that Respondent would be making application for admission shortly.

10. Respondent did not apply for a Certificate of Authority until October 31, 2000, after the Department notified Respondent that they still were in violation of N.D. Cent. Code § 26.1-02-05.

11. Respondent is acting as an authorized insurer in violation of N.D. Cent. Code § 26.1-02-05.

12. 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 a civil penalty or any action that the Commissioner deems necessary.

13. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under N.D. Cent. Code § 28-32-05.1.

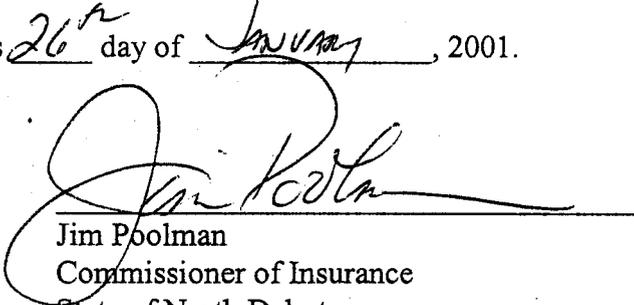
14. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent is assessed a fine in the amount of \$7,000 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 at Bismarck, North Dakota, this 26th day of January, 2001.


Jim Poolman
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, Alan R. Gloeckle, on behalf of North American Insurance Company, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect; that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her right to present evidence and arguments to the Commissioner, and his/her right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he/she

waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of January, 2001.

North American Insurance Company

By: Alan P. Gordon
Name
ASSISTANT SECRETARY
Title

Subscribed and sworn to before me
this 25th day of January, 2001.

Linda Dymacek
Notary Public



My commission expires: