



OFFICE OF INSURANCE REGULATION

**FILED**

JUN 14 2007

OFFICE OF  
INSURANCE REGULATION  
Dictated by: DEB

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO. 89548-07-CO

DAIRYLAND INSURANCE COMPANY  
2006 Market Conduct Investigation

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**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between DAIRYLAND INSURANCE COMPANY (hereinafter referred to as "DAIRYLAND") and the OFFICE OF INSURANCE REGULATION, (hereinafter referred to as "the OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE, hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of and parties to this proceeding.
2. DAIRYLAND is a foreign property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. DAIRYLAND self-reported the use of an unapproved application and uninsured motorist rejection form generated by the insurer's computer system that was available for use from June 28, 2006 through September 13, 2006 and from September 20, 2006 through September 27, 2006.

4. The OFFICE conducted a market conduct investigation of DAIRYLAND, pursuant to Section 624.3161, Florida Statutes in 2006 and as a result it has been determined that DAIRYLAND has violated Section 627.410, Florida Statutes, use of unapproved forms.

5. The OFFICE and DAIRYLAND expressly waive a hearing in this matter, and the making of Findings of Fact and Conclusions of Law by the OFFICE and all further and other proceedings herein to which the parties may be entitled by law. DAIRYLAND hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum now or in the future available including the right to any administrative proceeding, circuit or federal court action, or any appeal.

6. DAIRYLAND agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

a. DAIRYLAND shall pay administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

b. DAIRYLAND shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

c. DAIRYLAND is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by DAIRYLAND may be deemed willful, subjecting DAIRYLAND to appropriate penalties.

7. Within 30 days of execution of the Consent Order, DAIRYLAND shall provide documentation, certified by an officer of the Company, that the following corrective actions were completed:

a. A letter shall be sent to each policyholder who applied for a policy during the dates the incorrect version of the application was used advising that the application contained a statement that does not apply to the policy. The letter shall inform each insured of the current

bodily injury and uninsured motorist coverage limits that apply to the policy and provide the claims office's toll-free number. An approved version of the uninsured motorist rejection form shall be included with the letter and DAIRYLAND shall make sure the insured completes the uninsured motorist rejection form and returns it to the Company.

b. A letter shall be sent to each policyholder who requested a policy change during the dates the incorrect application and incorrect uninsured motorist coverage form were used. The letter shall inform each insured of the current bodily injury and uninsured motorist coverage limits that apply to the policy and provide the claims office's toll-free number. An approved version of the uninsured motorist rejection form shall be included with the letter and DAIRYLAND shall make sure the insured completes the uninsured motorist rejection form and returns it to the Company.

c. All claims filed on Florida policies, that were written on the incorrect version of the application and/or included the incorrect version of the uninsured motorist rejection form, shall be identified and reviewed to ensure that the insured's claims were correctly paid as if the correct version of both forms had been used. If DAIRYLAND discovers that any Florida policyholders are, or have been, affected on claims because of the use of the unapproved application and uninsured motorist rejection form, DAIRYLAND shall correctly adjust, and reimburse or pay the claim, as if the correct application or uninsured motorist form had been used. DAIRYLAND shall provide the OFFICE with a list of the affected policyholders and the actions taken by the Company.

d. All agents/agencies that wrote policies using the incorrect application and/or uninsured motorist rejection form shall be notified. This notification shall include a letter explaining the error, a copy of the letters being sent to the policyholders and a list of the policies written by that agent/agency.

8. DAIRYLAND agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall be subject to such administrative action as the OFFICE may deem appropriate.

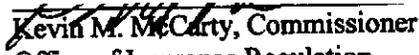
9. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

10. The parties agree that this Consent Order will be deemed to be executed when the OFFICE head or his designee has signed a copy of this Consent Order bearing the signature of STANDARD or its authorized representative, notwithstanding the fact that the copy was transmitted to the agency by facsimile machine. STANDARD agrees that the signature of its authorized representative shall be under seal of a Notary Public.

WHEREFORE, the agreement between DAIRYLAND and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 14<sup>th</sup> day of JUNE, 2007.

  
Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

By execution hereof, DAIRYLAND INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation, to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind DAIRYLAND INSURANCE COMPANY to the terms and conditions of this Consent Order and has personal knowledge of the Application and the information provided therein.

DAIRYLAND INSURANCE COMPANY

Corporate Seal

By: \_\_\_\_\_

Print Name: Robert W. Mueller

Title: President

Date: May 31, 2007

STATE OF WISCONSIN  
COUNTY OF PORTAGE

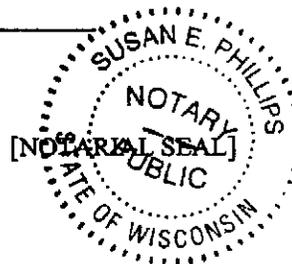
The foregoing instrument was acknowledged before me this 31st day of May, 2007, by Robert W. Mueller, President of Dairyland Insurance Company.

\_\_\_\_\_  
Susan E. Phillips, Notary Public  
State of Wisconsin

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 09/16/07



**COPIES FURNISHED TO:**

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