



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

Tom Gallagher

IN THE MATTER OF:

EMPLOYERS MUTUAL, L.L.C.

711 South Carson Street, #4
Carson City, Nevada 89701

CASE NO.: 42659-01-CO

Also conducting business in Florida by and through:

American Association of Agriculture, American Coalition of Consumers,
Association of Automotive Dealers & Mechanics, Association of Barristers &
Legal Aides, Association of Cosmetologists, Association of Educators,
Association of Health Care Workers, Association of Manufacturers &
Wholesalers, Association of Real Estate Agents, Association of Retail Sellers,
Communication Trade Workers Association, Construction Trade Workers
Association, Culinary and Food Service Workers Association, National
Association of Hospitality & Innkeepers, National Association of
Transportation Workers

WILLIAM R. KOKOTT and NICHOLAS E. ANGELOS

As officers, directors, managers, or members of
EMPLOYERS MUTUAL, L.L.C.
711 South Carson Street, #4
Carson City, Nevada 89701

IMMEDIATE FINAL ORDER

TO: EMPLOYERS MUTUAL, L.L.C.

In care of William R. Kokott / Nicholas E. Angelos
as officers, directors, managers, or members
711 South Carson Street
Suite 5
Carson City, Nevada 89701

WILLIAM R. KOKOTT

As officer, director, manager, or member of
EMPLOYERS MUTUAL, L.L.C.
711 South Carson Street, #4
Carson City, Nevada 89701

NICHOLAS E. ANGELOS

As officer, director, manager, or member of
EMPLOYERS MUTUAL, L.L.C.
711 South Carson Street, #4
Carson City, Nevada 89701

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code including, Sections 624.307, 624.317, 624.318, 626.201, and 120.569, *Florida Statutes*, the Treasurer and Insurance Commissioner of the State of Florida has caused an investigation to be made of the insurance-related activities of EMPLOYERS MUTUAL, LLC., its divisions, associations, and related organizations and entities (hereafter collectively referred to as EMPLOYERS MUTUAL.). As a result of that investigation, the Treasurer and Insurance Commissioner finds:

1. EMPLOYERS MUTUAL is not currently licensed or authorized, nor has it ever been licensed or authorized to transact insurance, or to operate as a Multiple Employer Welfare Arrangement (hereafter, MEWA) in this State. All insurers and MEWAs are required by Florida law to hold a Florida Certificate of Authority in order to conduct business in this State in accordance with Section 624.437(2), *Florida Statutes*.

2. Despite the absence of any certificate of authority to transact insurance or to operate a MEWA in this State, EMPLOYERS MUTUAL has in the past engaged and currently engages in the unlicensed, unauthorized, and therefore illegal business of insurance and/or as an illegal MEWA (*as contemplated and defined by the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. ss. 1001, et seq.*) [hereafter "ERISA"] in violation of the Florida Insurance Code including, Sections 624.401(2) and 624.437(2), and 626.901, *Florida Statutes*, respectively.

3. Neither WILLIAM R. KOKUTT nor NICHOLAS E. ANGELOS is licensed to transact insurance in Florida in any capacity, but control the insurance activities of EMPLOYERS MUTUAL.

4. Section 624.02, *Florida Statutes* defines "Insurance" as: *"Insurance" is a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.*

5. Section 624.03, *Florida Statutes* defines "Insurer" as: *"Insurer" includes every person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance or annuity.*

6. Section 624.09, *Florida Statutes* defines "Authorized", "Unauthorized insurer" as: *(1) An "authorized" insurer is one duly authorized by a subsisting certificate of authority issued by the department to transact insurance in this state. (2) An "unauthorized" insurer is one not so authorized.*

7. Section 624.10, *Florida Statutes* defines "Transacting insurance" as: *"Transact" with respect to insurance includes any of the following, in addition to other applicable provisions of the code: (1) solicitation or inducement. (2) Preliminary negotiations. (3) Effectuation of a contract of insurance. (4) Transaction of matters subsequent to the effectuation of a contract of insurance and arising out of it.*

8. Section 624.437(1), *Florida Statutes* defines "Multiple Employer Welfare Arrangement" as: *[a]n employee welfare benefit plan or any other arrangement which is established or maintained for the purpose of offering or providing health insurance benefits or any other benefits, described in s. 624.33, other than life insurance benefits, to the employees of two or more employers, or to their beneficiaries.*

9. Section 626.88(1), *Florida Statutes* defines "Administrator" as: *[a]ny person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with authorized commercial self-insurance funds or with insured or self-insured programs which provide life or health insurance coverage of any other expenses described in s.624.33(1), other than any of the following persons... (none of which exceptions are applicable).*

10. Section 626.8805(1), *Florida Statutes* provides, in pertinent part: *It is unlawful for any person to act as or to hold himself or herself out to be an administrator in this state without a valid certificate of authority issued by the Department pursuant to ss. 626.88-626.894.*

11. EMPLOYERS MUTUAL is not subject to any exception to the requirement of the Florida Insurance Code for a Certificate of Authority to engage in the business of insurance or to operate as a MEWA in Florida.

12. EMPLOYERS MUTUAL presently engages in the unlicensed, unauthorized, and therefore illegal, insurance business in Florida as an unlicensed, unauthorized, and therefore, illegal insurer and/or MEWA under the guise of establishing and operating ERISA plans. It operates, in part, under the ruse of various interest, trade and occupational "associations", including:

American Association of Agriculture

American Coalition of Consumers

Association of Automotive Dealers & Mechanics

Association of Barristers & Legal Aids

Association of Cosmetologists

Association of Educators

Association of Health Care Workers

Association of Manufacturers & Wholesalers

Association of Real Estate Agents

Association of Retail Sellers

Communication Trade Workers Association

Culinary and Food Services Workers Association

National Association of Hospitality & Innkeepers

National Association of Transportation Workers

All of the foregoing "associations" are organized as limited liability companies in Nevada, but, as more fully set forth herein, are actively conducting business in Florida, directly and through Florida agents, representatives, and other operatives. In fact, the "associations" are nothing more than conduits and facades for the true and sole business of EMPLOYERS MUTUAL: the sale of unlicensed, unauthorized, and therefore, illegal health insurance, or operating an unlicensed, unauthorized, and therefore, illegal MEWA in violation of Section 627.654, *Florida Statutes* and other Florida law.

13. EMPLOYERS MUTUAL has solicited and sold, and continues to solicit and to sell such unlicensed, unauthorized, and therefore illegal health insurance to employers throughout Florida through a network of Florida- licensed insurance agents, some of whom include:

<u>NAME</u>	<u>LOCATION</u>
William F. Starling (Lic. #A252679) Starling & Associates	Reddick, Fla.
Gary A. Bastie (Lic. #A015669) Starling & Associates	St. Petersburg, Fla.
E. Michael Farley (Lic. #A081006) Starling & Associates	Palm City, Fla.
John Kadlec Arnold (Lic. #A008535)	Fern Park, Fla.
Fred Magiera (Lic. #A162357)	Palm Beach Gardens, Fla.
Lenny Greenstein (Lic. #A103991)	Sunrise, Fla.
Richard Bokofsky (Lic. #A025021)	Sunrise, Fla.
James Theron Tuten (Lic. #A269787)	Tallahassee, Fla.
Sherry Lynn Perri (Lic. #A204720)	Tampa, Fla.
Grant Darbyson (Lic. #A061517)	Palm Beach Gardens, Fla.

Katherine Hedberg (Lic. #A115205)

Palm Beach Gardens, Fla.

**Susan Hope Pine (Lic. #A207606)
Quik Quote Insurance Brokers**

Plantation, Fla

The Department has also been informed that EMPLOYERS MUTUAL has and continues to actively solicit the sale of its unlicensed insurance product through ongoing recruitment of licensed insurance agents.

14. As evidenced by the geographic dispersion of the insurance agents that are marketing the EMPLOYERS MUTUAL health plan, the unauthorized health coverage is being solicited and sold widely and in all parts of the State of Florida. Among the employers/consumers to which/to whom it has been solicited or sold include, Krauss & Crane, Inc. of Stuart, Florida, E&M Food, Inc. of Boynton Beach, Florida.

15. In conjunction with its solicitation, EMPLOYERS MUTUAL has placed and continues to publish, disseminate, circulate, and otherwise place before the public statements regarding the business of insurance that are untrue, deceptive, or misleading. Among those misrepresentations are that the coverage and the rights of the parties to the contract are governed by the Employee Retirement Income Security Act (ERISA), and that it is not subject to regulation by the Department, all in violation of the Florida Insurance Code including, Sections 624.401(1), 624.437, and 626.9541, *Florida Statutes*. Specifically, although purporting to be subject only to Federal regulation as an ERISA plan, EMPLOYERS MUTUAL fails to meet even the most rudimentary prerequisites of an ERISA plan. Among the many factors that disqualify EMPLOYERS MUTUAL as an ERISA plan is the fact that EMPLOYERS MUTUAL is marketed and sold to multiple employers, and no single employer fully self-insures the health claims of its own employees. Instead, EMPLOYERS MUTUAL is itself risk-bearing and is therefore a Multiple Employer Welfare Arrangement or an insurer, subject to mandatory licensure and regulation by the Department.

16. Alternatively, through the fiction of enrolling employers into one of the various “associations” enumerated in Paragraph 12 hereof, EMPLOYERS MUTUAL has attempted to create the illusion that it exists and operates in accordance with Section 627.654(1)(a), *Florida Statutes*, which provides, in pertinent part:

A group of individuals may be insured under a policy issued to an association... which association has a constitution and bylaws and not less than 25 individual members and which has been organized and has been maintained in good faith for a period of 1 year for purposes other than that of obtaining insurance...

However, neither EMPLOYERS MUTUAL, nor the individual associations, have in fact obtained a health insurance policy to provide insurance for its/their members/enrollees. Instead, in return for the “premium” paid for the health coverage, benefits are paid by EMPLOYERS MUTUAL from the then-current cash flow or assets of EMPLOYERS MUTUAL. As such, EMPLOYERS MUTUAL is itself bearing the risk of the medical and health-related claims of those persons covered by policies or benefit contracts issued to multiple employers throughout the State of Florida, without being licensed as either an insurer or as a Multiple Employer Welfare Arrangement as required by Florida law, and without meeting the statutory financial requirements of Florida law..

17. As an unlicensed insurer or MEWA that has not satisfied the statutory requirements necessary to obtain a Certificate of Authority, EMPLOYERS MUTUAL presents a grave and immediate risk of financial harm to the residents of Florida. Although the Department is not now aware of instances of delays or failure to pay current claims, without a determination by the Department that the insurer or MEWA meets the statutory capital, surplus, operational, and other requirements, the particularized harm resulting from its operation in Florida include:

A. The potential inability to meet its financial obligations to Florida residents and entities

to whom and to which it has issued policies of insurance or other coverage contracts, caused in whole or in part by insufficient capital, surplus and reserves, by charging inadequate or otherwise actuarially unsound rates or premiums, and by enterprise management that is unlicensed, untrained, and unskilled in insurance operations. In fact, the rates (premiums) charged by EMPLOYERS MUTUAL, as reflected on its solicitation material, are grossly less than those rates charged by legitimate, licensed insurers and approved by the Department for comparable health insurance coverage, and reflect actuarial insufficiency in comparison to the benefits promised in the contracts.

B. The issuance of policies or contracts on forms that have not been approved by the Department of Insurance and which therefore do not contain the safeguards and disclosures for the benefit of the public that have been determined by the Legislature to be necessary and that are required by the Florida Insurance Code;

C. The adverse financial impact upon healthcare providers from illicit insurance activity and from the non-payment of claims, when health care goods and services have been furnished to Florida residents in reliance, in whole or in part, upon the perception or representation that legitimate health insurance or HMO coverage existed to pay for the goods and services;

D. In part, by offering actuarially unsound rates (premiums), EMPLOYERS MUTUAL induces potential enrollee/employers to abandon their legitimate insurance with lawful, licensed, and regulated insurers, and to purchase the EMPLOYERS MUTUAL product. By so doing, the enrollees/employers lose both the legal and financial safeguards that attend group health insurance with an entity that is licensed and regulated by the Department. Among those safeguards include, mandatory financial reporting to and oversight by the Department, including as to reserves, which have a direct relationship to the entity's ability to pay claims on an ongoing basis and requirements that persons who sell such coverage and who handle claims made under it be licensed and otherwise under the jurisdiction of the Department to ensure minimal competence, honesty, and adherence to applicable requirements of the Florida Insurance Code.

E. The adverse impact on future insurability of Florida residents who participate in such illegal plans, under statutes mandating guaranteed-issue health coverage for those persons having requisite prior creditable coverage from or through a legitimate health insurer or HMO.

18. EMPLOYERS MUTUAL's transaction of business as an insurer or as a MEWA without a certificate of authority issued by the Department places Florida residents at grave and immediate risk for the further reason that Florida law mandates the licensure of persons who transact insurance in this State both in their own right and as principals of insurers, MEWAs, and other risk-bearing entities that require insurance licensure under Florida law. Before, and as a condition of licensure, individual and entity applicants must submit an application to the Department of Insurance, undergo a background check, and pass an examination to determine competency to transact insurance. These statutes were enacted for the benefit and the protection of the insurance-buying public by requiring that only honest and competent individuals obtain an insurance license and serve as principals of insurance/MEWA entities. The unlicensed transaction of insurance by EMPLOYERS MUTUAL therefore deprives Florida consumers of the benefits of such statutory requirements of competence and honesty.

19. In State vs. Knott, 166 Fla. 835 (Fla., 1936), the Florida Supreme Court found "that the business of insurance so directly affects the public that it is generally considered to be affected with a public interest, and, being so, is subject to the regulation and control by the Legislature, which includes the power to license and regulate the agents through whom such business is conducted". Id. at 837. The Court further held that "it would be difficult to find a business that more vitally affects the public interest... Id. In Natelson vs. Department of Insurance, 454 So.2d 31 (Fla. 1st DCA, 1984), the court stated that the business of insurance is "greatly affected by the public trust". Id. at 31. Indeed, insurance contracts are characterized by the law as uberrimae fidei contracts, and as such are agreements "of utmost good faith".

20. Based upon the foregoing allegations, the Department of Insurance asserts that EMPLOYERS MUTUAL is engaging in the unauthorized and therefore illegal business of insurance in

Florida in violation of the Florida Insurance Code including, Sections 624.410, 624.11, 626.112, 624.401(1), 624.437, 626.451, 626.9521, 626.9541, 626.901, and 627.410, *Florida Statutes*.

WHEREFORE, pursuant to the Florida Insurance Code including, Sections 120.569(2)(n) and 624.437(2), *Florida Statutes*, the Treasurer and Insurance Commissioner finds that the continued transaction of insurance without licensure by EMPLOYERS MUTUAL and in violation of the Florida Insurance Code, constitutes an immediate danger to the public welfare so as to require the issuance of this Immediate Final Order.

Accordingly, IT IS HEREBY ORDERED:

A). EMPLOYERS MUTUAL, whether acting in the State of Florida as an insurer, a Multiple Employer Welfare Arrangement, an insurance agent, an insurance agency, an insurance adjuster, a third-party administrator, a managing general agent, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall forthwith CEASE AND DESIST from the transaction of any new or renewal insurance business, including as a MEWA.

B). EMPLOYERS MUTUAL shall forthwith notify, in writing, each and every agent, broker, salesperson, and other marketing outlet that is presently or that has in the past been used to solicit, sell, or deliver its products in Florida of the cessation of EMPLOYERS MUTUAL's Florida business because it is unlicensed, and due to this Immediate Final Order, and shall also inform such persons and entities that no further applications will be accepted or contracts issued. It shall further direct each and every agent, broker, salesperson, and other marketing outlet, in writing, to forthwith offer to replace the health coverage of each client, consumer, and person or entity afforded coverage under an EMPLOYERS MUTUAL policy or contract with substantially comparable coverage provided by a Florida licensed insurer or health maintenance organization.

EMPLOYERS MUTUAL shall furnish for approval or edit a draft of such notification to the Department within three (3) days of this Immediate Final Order. EMPLOYERS MUTUAL shall

thereafter, within three (3) days of receipt by mail or by fax of the Department's approval or edits, mail such letter (in revised form if edited by the Department) to all such agents, brokers, salespersons, and other marketing outlets, and shall immediately thereafter file the sworn attestations of W.R. Kokutt and Nicholas E. Angelos that there has been full compliance with this provision.

C). EMPLOYERS MUTUAL shall forthwith notify in writing each Florida subscriber, member, and beneficiary of, and each applicant for, any EMPLOYERS MUTUAL product of the cessation of EMPLOYERS MUTUAL business in Florida because it is unlicensed, and due to this Immediate Final Order, and that each such subscriber, member, beneficiary, and applicant should immediately obtain health coverage from a licensed insurer or Health Maintenance Organization.

EMPLOYERS MUTUAL shall furnish for approval or edit a draft of such notification to the Department within three (3) days of this Immediate Final Order. EMPLOYERS MUTUAL shall, thereafter, within three (3) days of receipt by mail or by fax of the Department's approval or edits, mail such notice (in revised form if edited by the Department) to each such subscriber, member, beneficiary, and applicant, and shall immediately thereafter file the sworn attestations of W.R. Kokutt and Nicholas E. Angelos that there has been full compliance with this provision.

If more than one individual in any household is a subscriber, member, beneficiary or applicant, a single notice, properly addressed, to any one such person in that household shall constitute notice to all persons in that household.

In those situations in which EMPLOYERS MUTUAL contends that a group, association, or other multi-participant policy or contract was issued or applied for, it shall furnish the requisite notice to each participant, member, beneficiary, and person afforded or to be afforded coverage under each policy or contract. If there is more than one participant, member, beneficiary, or person afforded or to be afforded coverage within a single household, one notice, properly addressed to any one such person in that household shall constitute notice to all persons in that household.

D). EMPLOYERS MUTUAL shall, within fifteen (15) calendar days from the date hereof, deliver to the Department all documents, materials, and things that are itemized on the attached Exhibit "A". The materials shall be accompanied by the sworn attestations of William R. Kokutt and Nicholas E. Angelos that they conducted a diligent search of all of the records within the actual or constructive control of EMPLOYERS MUTUAL and of the associations cited herein, and that the materials delivered to the Department in compliance with this provision constitute all of the documents that were located.

E). EMPLOYERS MUTUAL shall, within fifteen (15) calendar days from the date hereof, deliver to the DEPARTMENT a full and complete accounting of all premiums and "association" dues collected, and claims paid or incurred, since the inception of its operation in Florida.

F). Subject to the other mandates of this Immediate Final Order, EMPLOYERS MUTUAL shall continue to be responsible for the payment of claims, and otherwise for the timely fulfillment of its contractual obligations to each subscriber, member, beneficiary, and provider until all Florida claims have been paid or until further action or order of the Department. EMPLOYERS MUTUAL shall use its assets, including reserves, solely for the payment of claims. For the protection of the public, and to preserve books, records and assets of EMPLOYERS MUTUAL, neither it nor its officers, directors, managers, members, stockholders, trustees, subscribers, agents, employees, or affiliates shall take or permit any action that might waste, conceal or otherwise dispose of the assets, property, books, records, and accounts of EMPLOYERS MUTUAL.

G). The entry of this Immediate Final Order, or any amendment thereto, shall not be interpreted as having, nor shall it have, the effect of abrogating any statutory, common law, or contractual rights of any subscriber, member, beneficiary, or person afforded coverage under any EMPLOYERS MUTUAL policy or contract, or of any person that furnished health care goods or services pursuant to or in reliance upon the existence of a contract with EMPLOYERS MUTUAL.

H). The issuance of this Immediate Final Order and the procedural safeguards set forth herein are concluded to be fair under the circumstances due to the potential grave harm resulting from unauthorized

insurance entities engaging in the business of insurance in Florida. A Notice of Intent to Issue a Cease and Desist Order and Assess Penalty will be issued immediately following this Immediate Final Order. Procedures set forth therein afford EMPLOYERS MUTUAL and the other entities named herein the opportunity to request a proceeding pursuant to Section 120.57, *Florida Statutes*.

DONE AND ORDERED this 14 day of August, 2001.




KEVIN MCCARTY
Deputy Insurance Commissioner

NOTICE OF RIGHTS

You are hereby notified pursuant to Section 120.569(1), *Florida Statutes*, that you have the right to request a hearing. The request for hearing must be in writing and filed with the Department within five (5) days of the receipt of this Order, excluding weekends or holidays. If a written request is timely filed, the affected party(ies) will be given an opportunity for a hearing at a convenient time in Tallahassee, Florida. The hearing will be limited to a review of the finding that the facts recited present an immediate threat to the public health, safety, and welfare sufficient to justify the entry of this Immediate Final Order. Failure to file a request for a hearing within five (5) days constitutes a waiver, and no hearing will be held.

You are hereby further notified that you have a right to request an advisory opinion or information letter as to your status and as to the effect of certain acts and transactions under the Retirement Income Security Act (ERISA) pursuant to ERISA Proc. 76-1, from the Pension and Welfare Benefits Administration of the United States Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, *Florida Statutes*, and Rule 9.110, *Fla.R.App.P.* Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel, acting as the agency clerk, at 612 Larson Building, Tallahassee, Florida 32399-0333, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.

EXHIBIT "A"

1. A complete listing of all persons and entities in Florida to whom and to which have been sold, or enrolled in, the Employers Mutual health plan. In each case, you are also to specify the "Association" into which each was enrolled as part of, or as a condition of obtaining health coverage through Employers Mutual. If different forms or contracts are used for different benefit levels the listing should specify what form was issued in each case. Included in the scope of this request are the names and addresses of all Floridians provided benefits under individual and group contracts, policies, or certificates.

2. If different forms providing different levels of benefits are used, a copy of each form that has been used or issued in Florida since the inception of your business operation. Otherwise, please furnish a complete copy of the single contract, policy, or certificate form that is and has been utilized in Florida.

3. A copy of each Certificate of Authority issued to Employers Mutual, L.L.C. or any of the related "Associations" as an insurer, as a multiple employer welfare arrangement, or which otherwise authorizes the transaction of insurance, issued by the insurance regulatory authority of each other State.

4. Bank statements evidencing all sums collected from Florida as premiums, membership fees, and other charges imposed by the "Associations" since the inception of your business operation. Please set forth separately each category of revenue.

5. All *pro formas*, actuarial memoranda, and related documents pertaining to benefit levels, premiums, reserves, and like aspects of all insurance and benefit plans issued by or through the related "Associations".

6. A copy of the organizational chart depicting the functions and relationships of all persons, corporations, and other entities, including all indemnitors, reinsurers, stop-loss carriers, and all other functionally and organizationally related entities involved in the solicitation, marketing, sales, underwriting, and claims aspects of all insurance or other benefit products issued by or through Employers Mutual, L.L.C.

7. All underwriting guidelines that are presently used by Employers Mutual, L.L.C., or that have in the past been used for all Florida business.

8. All claims manuals that are and have been utilized by Employers Mutual, L.L.C. for the adjudication of claims arising under contracts, policies, or certificates issued to Floridians or under which Floridians are afforded coverage.

9. All written advertising material utilized in Florida by Employers Mutual, L.L.C. and related "Associations".

10. All applications for and policies of reinsurance and/or stop-loss coverage submitted by or on behalf of Employers Mutual, L.L.C. or its related "Associations". Included within the scope of this request are any pending applications for reinsurance or stop-loss coverage, and any written denials or rescissions of such coverage.

11. A copy of each insurance license held by each officer, director, manager, or member of Employers Mutual, L.L.C..

12. A copy of each contract between Employers Mutual, L.L.C. and each health care provider and provider network under which health care services are provided or to be provided in Florida.

13. Computer runs or similar documentation evidencing all claim payments under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of Employers Mutual, L.L.C.'s operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

14. Computer runs or similar documentation evidencing all claims, incurred but not paid, under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of Employers Mutual, L.L.C.'s operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

15. Computer runs or similar documentation evidencing estimates of all claims, incurred but not reported, under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of Employers Mutual, L.L.C.'s operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

16. Documentation evidencing claim denials under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of Employers Mutual, L.L.C.'s operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

17. A copy of each contract with, and Florida insurance license of, each third-party administrator, adjuster, or other person or entity involved in the adjudication of Florida claims since the inception of Employers Mutual, L.L.C.'s operation in Florida.

18. All documentation and/or data compilations including, but not limited to, group and individual applications from Florida business, that disclose the identity of the immediately preceding health insurer or health maintenance organization for each person or group to whom Employers Mutual, L.L.C. has issued a contract or policy in Florida.

19. All filings made by Employers Mutual, L.L.C. or on its behalf with the United States Department of Labor, Pension Welfare Benefits Administration, and opinion or similar letters issued by either or both of them with respect to the bona fides or operation of Employers Mutual, L.L.C.

20. If you contend that Employers Mutual, L.L.C. or the related "Associations" constitute one or more "association plans" within the meaning of the Florida Insurance Code, produce a copy of each policy of insurance that underwrites or constitutes the source of the payment of benefits.

21. A complete listing of all Florida insurance agents who are presently authorized to potential business to Employers Mutual, L.L.C. either directly or as sub-agents.

22. To the extent different from your response to #21 hereof, all documentation and/or data compilations evidencing all Florida insurance agents who have submitted business to Employers Mutual, L.L.C. directly or as sub-agents since the inception of its operation in Florida.

23. On a per-agent basis, all documentation or other data compilation evidencing the aggregate amount of commission paid to each Florida insurance agent or sub-agent that has submitted business to Employers Mutual, L.L.C. over the past 36-months

24. All documentation or other data compilations evidencing the gross premium collected by Employers Mutual, L.L.C. in each of the preceding two (2) years on business written in Florida.

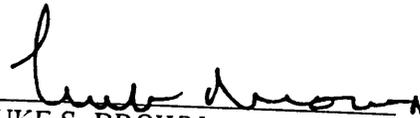
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Immediate Final Order has been faxed and sent by Certified Mail this 14 day of August, 2001 to, and shall forthwith be served upon:

EMPLOYERS MUTUAL, LLC
*In care of William R. Kokott and
Nicholas E. Angelos as officers,
Directors, managers, or members*
711 South Carson Street, #4
Carson City, Nevada 89701

WILLIAM R. KOKOTT
As officer, director, manager, or member of
EMPLOYERS MUTUAL, L.L.C.
711 South Carson Street, #4
Carson City, Nevada 89701

NICHOLAS E. ANGELOS
As officer, director, manager, or member of
EMPLOYERS MUTUAL, L.L.C.
711 South Carson Street, #4
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LUKE S. BROWN
Senior Executive Attorney
Unauthorized Entities Supervisor
Florida Department of Insurance
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