

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)
)
Country Mutual Insurance Company,)
CoCode 20990,)
)
Country Casualty Insurance)
Company, CoCode 20982)
)
Country Preferred Insurance)
Company, CoCode 21008)
)
Country Life Insurance Company,)
CoCode 62553)
)
Country Investors Life Assurance)
Company, CoCode 94218)
)
Respondents.)

CONSENT ORDER
CASE NO. AG-20-816

TO: Country Mutual Insurance Company; P.O. Box 2100 Bloomington, IL 61702-2100
Country Casualty Insurance Company; P.O. Box 2100 Bloomington, IL 61702-2100
Country Preferred Insurance Company; P.O. Box 2100 Bloomington, IL 61702-2100
Country Life Insurance Company; P.O. Box 2000 Bloomington, IL 61702-2000
Country Investors Life Assurance Company; P.O. Box 2000 Bloomington, IL 61702-2000

Insurance Commissioner Jon Godfread ("Commissioner") has determined as follows:

1. As a result of information obtained by the North Dakota Insurance Department ("Department") regarding the conduct of Country Mutual Insurance Company CoCode 20990, Country Casualty Insurance Company, CoCode 20982, Country Preferred Insurance Company, CoCode 21008, Country Life Insurance Company, CoCode 62553, Country Investors Life Assurance Company, CoCode 94218 ("Respondents"), 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

other action the Commissioner deems necessary. As more fully described below,

Respondents' conduct is alleged to be in violation of N.D.C.C. § 26.1-25-16.

N.D.C.C. § 26.1-25-16 states, in part:

26.1-25-16. Rebates prohibited – Exception.

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a contract of insurance.

2. On or about April 8, 2020, the North Dakota Insurance Department received a complaint alleging rebating activity on the part of one of Respondents' producers. The Department began an investigation into the producer's conduct. The Department received information that at least part of the rebating violations were sent to the producer by the respondent as a "company promotion."

3. Through further investigations, it was determined that between the Fall 2018 promotions to the Summer 2019 promotions, 22 individuals received \$100 VISA Cash cards, in violation of North Dakota Century Code.

4. Respondents acknowledge that at the time of signing the Consent to Entry of Order, they were aware of or had been advised of the right to a hearing in this matter, to

consult an attorney, to present argument to the Commissioner, to appeal from any adverse determination after a hearing, and Respondents expressly waive those rights.

5. Respondents have agreed to informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

6. For purposes of resolving this matter without further administrative proceedings, Respondents have agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondents agree to pay a fine to the Department in the amount of \$2,200 (\$100 per violation) within 20 days of the effective date of this Order. This fine may be divided up by company as \$440 per company or however the companies decide to divide the amount. \$2,200 is the total fine amount imposed.

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 7th day of ~~November~~ ^{December}, 2020.



Jon Godfread
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Country Life Insurance Company**, states that they have read the foregoing Consent Order, knows and fully understands its contents and effect; that they have been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order they waive those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of November, 2020.

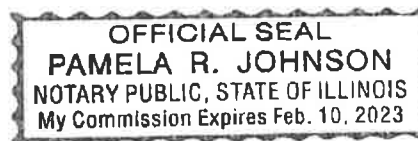


County of McLean
State of ILLINOIS

Subscribed and sworn to before me this 25th day of November, 2020.


Notary Public

My commission expires: 02/10/2023



CONSENT TO ENTRY OF ORDER

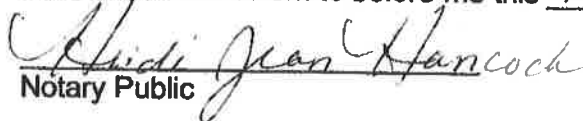
The undersigned, **Country Mutual Insurance Company**, states that they have read the foregoing Consent Order, knows and fully understands its contents and effect; that they have been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order they waive those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of November, 2020.

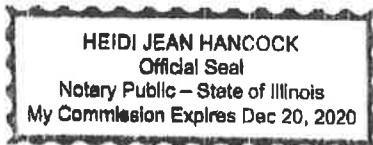


County of McLean
State of ILLINOIS

Subscribed and sworn to before me this 25th day of November, 2020.


Notary Public

My commission expires: Dec. 20, 2020



CONSENT TO ENTRY OF ORDER

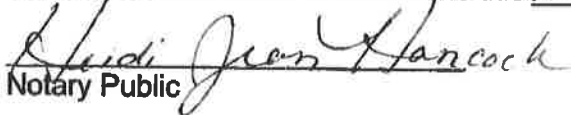
The undersigned, **Country Casualty Insurance Company**, states that they have read the foregoing Consent Order, knows and fully understands its contents and effect; that they have been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order they waive those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of November, 2020



County of McLean
State of ILLINOIS

Subscribed and sworn to before me this 25th day of November, 2020.


Notary Public

My commission expires: Dec. 20, 2020



CONSENT TO ENTRY OF ORDER

The undersigned, **Country Preferred Insurance Company** states that they have read the foregoing Consent Order, knows and fully understands its contents and effect; that they have been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order they waive those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of November, 2020.

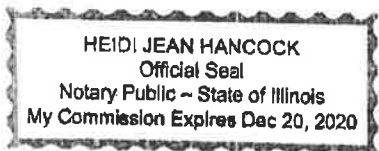
Janithy V. Hayes

County of McLean
State of ILLINOIS

Subscribed and sworn to before me this 25th day of November, 2020.

Heidi Jean Hancock
Notary Public

My commission expires: Dec 20, 2020



CONSENT TO ENTRY OF ORDER

The undersigned, **Country Investors Assurance Company**, states that they have read the foregoing Consent Order, knows and fully understands its contents and effect; that they have been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order they waive those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 25th day of November, 2020.



County of McLean
State of ILLINOIS

Subscribed and sworn to before me this 25th day of November, 2020.

Heidi Jean Hancock
Notary Public

My commission expires:

