STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED March 4, 2025 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

Country Casualty Insurance Company (NAIC # 20982), Country Mutual Insurance Company (NAIC # 20990), and Country Preferred Insurance Company (NAIC # 21008),

1701 Towanda Avenue
Bloomington, IL 61701

Respondents.

No. 25A-030-INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions ("Department") conducted a targeted market conduct examination of Country Casualty Insurance Company, Country Mutual Insurance Company, and Country Preferred Insurance Company (collectively "Respondents") to determine Respondents' compliance with provisions of Title 20, Arizona Revised Statutes ("A.R.S."). In the Report of Market Conduct Examination of Respondents ("Report"), the Department alleges that Respondents violated A.R.S. § 20-2110(F)(3).

Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true, and consent to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondents are Illinois domiciled companies. Respondents are authorized to transact property and casualty insurance in Arizona pursuant to the certificates of authority issued by the Director. The Director authorized examiners, consisting of Department employees and independent examiners contracting with the Department, to conduct a target market conduct examination of Respondents.

2. The Department's examination of Respondents commenced on September 29, 2023, and the examination fieldwork concluded on July 30, 2024. The examination covered the period from January 1, 2019, to December 31, 2022. For Respondents Country Mutual Insurance Company and Country Preferred Insurance Company, the examination consisted of a review of Private Passenger Automobile ("PPA") and Homeowners ("HO") business operations related to the use of consumers' bankruptcies in Respondents' rating practices. For Respondent Country Casualty Insurance Company, the examination consisted of a review of business operations related to the use of consumers' bankruptcies in rating practices for PPA business only, as Respondent Country Casualty Insurance Company does not write HO business in Arizona.

3. On or about October 30, 2023, the Department sent to Respondents the Coordinator's Handbook ("CHB") which required Respondents to provide the rating data for all PPA and HO policies that indicated a consumer was rated for having one or more bankruptcies. The CHB also required Respondents to conduct a self-audit of their rating algorithm for the PPA and HO policies to determine if bankruptcies older than seven years were included as a rating factor in Respondents' rate filings and/or rating algorithm.

4. During the examination period, the Respondents utilized two rating systems – Legacy and PPro. Respondents explained that Legacy was the rating system formed by Respondents when they converted from paper files. Respondents later selected the PPro rating system. The first line of business to utilize the PPro was PPA, and those first policies were issued on April 21, 2017.

Country Casualty Insurance Company ("CCIC")

A. PPA New Business – Legacy System

5. On or about January 8, 2024, Respondent CCIC identified a total of 46 new business policies that utilized the Legacy rating system during the examination period.

6. After review of Respondent CCIC's response and supporting documentation, the examiners concluded that none of the 46 identified new business PPA policies included a bankruptcy or lien record during the examination period.

7. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business PPA policies under Respondent CCIC's Legacy rating system for this examination.

B. PPA New Business – PPro System

8. In its January 8, 2024 response, Respondent CCIC identified 227 new business policies that utilized the PPro rating system during the examination period. Of these 227 new business policies, there were 10 policies identified as having a bankruptcy or lien record at the inception date.

9. After review of Respondent CCIC's response and supporting documentation, the examiners concluded that none of the 10 identified policies utilized bankruptcies older than 7 years (84 months) as of the policy inception date.

10. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business PPA policies under Respondent CCIC's PPro rating system for this examination.

C. PPA Renewal Business – Legacy System

11. In its January 8, 2024 response, Respondent CCIC identified 482 renewal business policies that utilized Respondent CCIC's Legacy rating system during the examination period.

12. After review of Respondent CCIC's response and supporting documentation, the examiners concluded that none of the 482 identified renewal business PPA policies included a bankruptcy or lien record during the examination period.

13. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business PPA policies under Respondent CCIC's Legacy rating system for this examination.

D. PPA Renewal Business – PPro System

14. In its January 8, 2024 response, Respondent CCIC identified 753 renewal business policies that utilized Respondent CCIC's PPro rating system during the examination period.

15. Respondent CCIC further identified a total of 22 policies where "the consumer was rated for having one or more bankruptcies." The examiners then directed Respondent CCIC to obtain the bankruptcy date for the 22 identified policies.

16. The examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84 months). Of the 22 policies, there were 7 renewal periods affecting 1 insured where the bankruptcy was aged to more than 7 years as of the policy renewal date.

17. Respondent CCIC then provided an additional response after it reviewed the identified renewal periods and conducted a re-rate where the bankruptcy was removed. Respondent CCIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Respondent CCIC also compared the rating tier and premium impact on the policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy.

18. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CMIC utilized the bankruptcy information past the permissible statutory timeframe, these violations remain.

19. Accordingly, there are 7 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

Country Mutual Insurance Company ("CMIC")

A. PPA New Business – Legacy System

20. In its January 8, 2024 response, Respondent CMIC identified 54 policies that utilized CMIC's Legacy rating system during the examination period.

21. After review of Respondent CMIC's response and supporting documentation, the examiners concluded that none of the 54 identified new business PPA policies included a bankruptcy or lien record during the examination period.

22. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business PPA policies under the CMIC Legacy rating system for this examination.

B. PPA New Business – PPro System

23. In its January 8, 2024 response, Respondent CMIC identified 1,011 new business policies that utilized CMIC's PPro rating system.

24. Respondent CMIC further identified 45 policies where the policyholder was rated as having a bankruptcy or lien record at the inception date. The examiners requested that Respondent CMIC obtain the bankruptcy date for the identified policies.

25. After review of Respondent CMIC's response and supporting documentation, the examiners concluded that none of the 45 identified policies utilized bankruptcies older than 7 years (84 months) as of the policy inception date.

26. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business PPA policies under the CCIC PPro rating system for this examination.

C. PPA Renewal Business – Legacy System

27. In its January 8, 2024 response, Respondent CMIC identified 3,712 policies utilizing the Legacy rating system.

28. Respondent CMIC further identified 20 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that Respondent CMIC obtain the bankruptcy date for the identified policies.

29. The examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84 months). Of the 20 policies, there

were 13 renewal periods affecting 2 insureds where the bankruptcy was aged to more than 7 years as of the policy renewal date.

30. Respondent CMIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Because A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years, and Respondent CMIC utilized the bankruptcy information past the permissible statutory timeframe, these 13 renewal periods constitute violations of A.R.S. § 20-2110(F).

31. Accordingly, there are 13 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

D. PPA Renewal Business – PPro System

32. In its January 8, 2024 response, Respondent CMIC identified 3,370 policies utilizing the PPro rating system during the examination period.

33. Respondent CMIC further identified 118 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that Respondent CMIC obtain the bankruptcy date for the identified policies.

34. In reviewing Respondent CMIC's response containing the bankruptcy dates, the examiners compared the date of bankruptcy and the renewal date to determine whether the date of bankruptcy was older than 7 years (84 months). Of the 118 identified policies, there were 21 renewal periods that affected 8 insureds where the bankruptcy date was aged to more than 7 years (84 months) as of the policy renewal date.

35. Respondent CMIC agreed that a bankruptcy aged to more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premiums for 18 renewal periods. However, Respondent CMIC disagreed with the remaining 3 renewal periods.

36. In its response, Respondent CMIC reviewed the 3 identified renewal periods and conducted a re-rate in which the bankruptcy was removed. Respondent CMIC agreed that the bankruptcy was aged

to more than 7 years and was utilized to calculate an insurance score for the 3 identified renewal periods. Respondent CMIC also compared the rating tier and premium impact on the policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the bankruptcy.

37. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CMIC utilized the bankruptcy information past the permissible statutory timeframe, these violations remain.

38. Accordingly, there are 21 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

E. <u>HO New Business – Legacy System</u>

39. In its January 8, 2024 response, Respondent CMIC identified 5,472 policies utilizing the Legacy rating system during the examination period.

40. Respondent CMIC further identified 116 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that CMIC obtain the bankruptcy date for the identified policies.

41. In reviewing Respondent CMIC's response, the examiners compared the date of bankruptcy and the renewal date to determine whether the date of bankruptcy was older than 7 years (84 months). Of the 116 policies, there were 3 policies where the bankruptcy was aged to more than 7 years old as of the policy inception date.

42. Respondent CMIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premiums for 2 policies. However, it disagreed with the remaining finding.

43. In its response, Respondent CMIC reviewed the policy and conducted a re-rate where the bankruptcy was removed. Respondent CMIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score. In its review, Respondent CMIC also compared the

rating tier and premium impact on the policyholder. It demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy in the calculation.

44. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CMIC utilized the bankruptcy information past the permissible statutory timeframe, this violation remains.

45. Accordingly, there are 3 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

F. <u>HO Renewal Business – Legacy System</u>

46. In its January 8, 2024 response, Respondent CMIC identified 69,268 policies utilizing the Legacy rating system during the examination period. Respondent CMIC further identified a total of 294 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that Respondent CMIC obtain the bankruptcy date for the identified policies.

47. In reviewing Respondent CMIC's response, the examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84 months). Of the 294 policies, there were 146 renewal periods that affected 57 insureds where the bankruptcy was aged to more than 7 years (84 months) as of the policy renewal date.

48. Respondent CMIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premiums of 85 renewal periods. However, it disagreed with the remaining 61 renewal periods.

49. Respondent CMIC provided an additional response after it reviewed the identified renewal periods and conducted a re-rate where the bankruptcy was removed. Respondent CMIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Respondent CMIC also compared the rating tier and premium impact on the

policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy.

50. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CMIC utilized the bankruptcy information past the permissible statutory timeframe, these 61 renewal periods remain.

51. Accordingly, there are 146 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

<u>Country Preferred Insurance Company (“CPIC”)</u>

A. <u>PPA New Business – Legacy Rating System</u>

52. In its January 8, 2024 response, Respondent CPIC identified 1,139 policies utilizing the Legacy rating system during the examination period. Respondent CPIC further identified 8 policies where “the consumer was rated for having one or more bankruptcies.” The examiners requested that CMIC obtain the bankruptcy date for the identified policies.

53. In reviewing CPIC’s response, the examiners compared the date of bankruptcy and the renewal date to determine whether the date of bankruptcy was older than 7 years (84 months). Of the 8 identified policies, there were 4 policies where the bankruptcy was aged to more than 7 years old as of the policy inception date.

54. Respondent CPIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premium for 3 policies. However, it disagreed with the remaining finding.

55. Respondent CPIC reviewed the policy and conducted a re-rate where the bankruptcy was removed. Respondent CPIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score. In its review, Respondent CPIC also compared the rating tier and

premium impact on the policyholder. It demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy in the calculation.

56. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CPIC utilized the bankruptcy information past the permissible statutory timeframe, this violation remains.

57. Accordingly, there are 4 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

B. <u>PPA New Business – PPro Rating System</u>

58. In its January 8, 2024 response, Respondent CPIC identified 4,051 policies utilizing the PPro rating system. Respondent CPIC further identified 77 new business policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that CMIC obtain the bankruptcy date for the identified policies.

59. In reviewing Respondent CPIC's response, the examiners compared the date of bankruptcy and the renewal date to determine whether the date of bankruptcy was older than 7 years (84 months). Of the 77 new business policies, there were 6 policies identified as having a bankruptcy or lien record as of the policy inception date.

60. Respondent CPIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premium for 3 policies. However, it disagreed with the remaining 3 violations.

61. Respondent CPIC provided an additional response after it reviewed the 3 identified new business policies and conducted a re-rate where the bankruptcy was removed. Respondent CPIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Respondent CPIC also compared the rating tier and premium impact on

the policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy.

62. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CPIC utilized the bankruptcy information past the permissible statutory timeframe, these 3 violations remain.

63. Accordingly, there are 6 substantiated violations of A.R.S. § 20-2110(F)(3) related to this finding.

C. PPA Renewal Business – Legacy Rating System

64. In its January 8, 2024 response, Respondent CPIC identified 82,708 renewal business policies utilizing the Legacy rating system during the examination period. Respondent CPIC further identified 249 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that CMIC obtain the bankruptcy date for the identified policies.

65. In reviewing Respondent CPIC's response, the examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84 months). Of the 249 identified policies, there were 112 renewals that affected 31 insureds where the bankruptcy date was aged to more than 7 years as of the policy renewal date.

66. Respondent CPIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premiums of 91 renewal periods. However, it disagreed with the remaining 21 renewal periods.

67. Respondent CPIC provided an additional response after it reviewed the 21 identified renewal periods and conducted a re-rate where the bankruptcy was removed. Respondent CPIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Respondent CPIC also compared the rating tier and premium impact on the

policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy.

68. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CPIC utilized the bankruptcy information past the permissible statutory timeframe, these 21 renewal periods remain.

69. Accordingly, there are 112 substantiated violations of A.R.S. § 20-2110(F) related to this finding.

D. PPA Renewal Business – PPro Rating System

70. In its January 8, 2024 response, Respondent CPIC identified 15,495 policies utilizing the PPro rating system during the examination period. Respondent CPIC further identified 380 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that CPIC obtain the bankruptcy date for the identified policies.

71. In reviewing Respondent CPIC's response, the examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84 months). Of the 380 policies, there were 131 renewal periods affecting 36 insureds where the bankruptcy was aged to more than 7 years as of the policy renewal date.

72. Respondent CPIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score that adversely affected the premiums of 53 renewal periods. However, it disagreed with the remaining 78 renewal periods.

73. Respondent CPIC provided an additional response after it reviewed the 78 identified renewal periods and conducted a re-rate where the bankruptcy was removed. Respondent CPIC agreed that the bankruptcy was aged to more than 7 years and was utilized to calculate an insurance score for the identified renewal periods. Respondent CPIC also compared the rating tier and premium impact on the

policyholder in its review and demonstrated that the premium was not adversely impacted by the inclusion of the aged bankruptcy.

74. While the premium was not adversely impacted by the inclusion of the aged bankruptcy, A.R.S. § 20-2110(F) explicitly limits the use of bankruptcy information to 7 years. Because Respondent CPIC utilized the bankruptcy information past the permissible statutory timeframe, these 78 renewal periods remain.

75. Accordingly, there are 131 substantiated violations of A.R.S. § 20-2110(F) in connection with this finding.

E. <u>HO New Business – PPro Rating System</u>

76. In its January 8, 2024 response, Respondent CPIC identified 3,393 policies that utilized Respondent CPIC's PPro rating system during the examination period. Of these 3,393 new business policies, there were 72 identified as having a bankruptcy or lien at the policy inception date.

77. After review of Respondent CPIC's response and supporting documentation, the examiners concluded that none of the 72 identified policies utilized bankruptcies older than 7 years (84 months) as of the policy inception date.

78. Accordingly, there are no findings of A.R.S. § 20-2110(F) violations related to new business HO policies under Respondent CPIC's PPro rating system for this examination.

F. <u>HO Renewal Business – PPro Rating System</u>

79. In its January 8, 2024 response, Respondent CPIC identified 1,673 renewal business policies utilizing the PPro rating system during the examination period. Respondent CPIC further identified 38 policies where "the consumer was rated for having one or more bankruptcies." The examiners requested that Respondent CPIC obtain the bankruptcy date for the identified policies.

80. In reviewing CPIC's response, the examiners then compared the date of the bankruptcy and the renewal date to determine whether the date of bankruptcy was aged to more than 7 years old (84

months). Of the 38 policies, there were 7 renewal periods affecting 1 insured where the bankruptcy was aged to more than 7 years as of the policy renewal date.

81. Respondent CPIC agreed that an aged bankruptcy of more than 7 years (84 months) was utilized to calculate an insurance score and adversely affected the premiums for the 8 renewal periods.

82. Accordingly, there are 8 substantiated violations of A.R.S. § 20-2110(F) in connection with this finding.

CONCLUSIONS OF LAW

83. The Director has jurisdiction over this matter.

84. The Director has the authority to conduct examinations and investigations of insurance matters and to request the accounts, records, documents, files, assets and matters in the person's possession or control pursuant to A.R.S. §§ 20-142(C), and 20-157(A).

85. Respondents' conduct, as alleged above, constitutes a violation of the prohibition that insurers cannot use bankruptcies or lien satisfactions older than seven years when calculating an insurance score. A.R.S. § 20-2110(F)(3).

86. For Respondent Country Casualty Insurance Company, grounds exist for the Director to impose a civil penalty of not more than one thousand dollars for each act or violation and not to exceed an aggregate of ten thousand dollars within any six-month period with respect to unintentional violations. A.R.S. § 20-220(B)(1).

87. For Respondent Country Casualty Insurance Company, there were no substantiated violations related to PPA new business policies. There was a total of 7 substantiated violations related to PPA renewal business.

88. For Respondent Country Mutual Insurance Company, grounds exist for the Director to impose a civil penalty of not more than one thousand dollars for each act or violation and not to exceed an aggregate of ten thousand dollars within any six-month period with respect to unintentional violations. A.R.S. § 20-220(B)(1).

89. For Respondent Country Mutual Insurance Company, there were no substantiated violations related to new business PPA policies. There were 34 total substantiated violations related to PPA renewal business policies.

90. For Respondent Country Mutual Insurance Company, there were 3 substantiated violations related to new business HO policies. There were 146 total substantiated violations related to HO renewal business policies.

91. For Respondent Country Preferred Insurance Company, grounds exist for the Director to impose a civil penalty of not more than one thousand dollars for each act or violation and not to exceed an aggregate of ten thousand dollars within any six-month period with respect to unintentional violations. A.R.S. § 20-220(B)(1).

92. For Respondent Country Preferred Insurance Company, there were 10 substantiated violations related to new business PPA policies. There were 243 substantiated violations related to PPA renewal business policies.

93. For Respondent Country Preferred Insurance Company, there were no substantiated violations related to new business HO policies. There were 8 substantiated violations related to HO renewal business policies.

ORDER

IT IS ORDERED:

1. Respondent Country Casualty Insurance Company shall immediately pay a civil money penalty in the amount of **one thousand dollars ($1,000.00)**.

2. Respondent Country Mutual Insurance Company shall immediately pay a civil monetary penalty in the amount of **two thousand dollars and five hundred dollars ($2,500.00)**.

3. Respondent Country Preferred Insurance Company shall immediately pay a civil monetary penalty in the amount of **three thousand dollars ($3,000.00)**.

4. Respondents are jointly and severally liable for the payment of the civil money penalty.

5. Respondents shall implement all recommendations as listed in the Corrective Action Plan ("CAP")

6. Respondents shall provide a timely and complete response to any future inquiries by the Department on the CAP.

CORRECTIVE ACTION PLAN

This Corrective Action Plan defines the corrective action requirements applicable to Country Casualty Insurance Company, Country Mutual Insurance Company, and Country Preferred Insurance Company resulting from the market conduct examination conducted by the Department.

Area of Concern: Bankruptcy Factor Rating of Policies

Corrective Actions

1. As of September 15, 2024, and prior to the conclusion of this examination, Respondents CCIC, CMIC, and CPIC, submitted SERFF filings that memorialize that the Respondents will no longer use bankruptcies or lien rating factors in their calculation of credit-based insurance scores:
    a. No later than sixty days after the filing of the Report of Examination, the Respondents will provide the Department copies of all communications, newly executed contract addendums, attestations, and/or other documentation that demonstrates that the Respondents will no longer receive insurance scores or data strings containing bankruptcies or liens from each of their vendors.
2. No later than sixty days after the filing of this report, Respondent CMIC will provide the Department with a data set outlining the remediation for the **44 total policyholders**[1] that were

[1] These insureds are identified in Final Findings 2, 6, 7, and 10.

improperly rated for a bankruptcy and whose premium was adversely impacted. Specifically, CMIC will remediate policyholders utilizing the schedule amounts below:

a. Policyholders rated improperly at new business – $50;

b. Policyholders rated improperly at 1 renewal – $50;

c. Policyholders rated improperly at 2 renewals – $75;

d. Policyholders rated improperly at 3 renewals – $100;

e. Policyholders rated improperly at 4 renewals – $125;

f. Policyholders rated improperly at 5 renewals – $150;

g. Policyholders rated improperly at 6 renewals – $175;

h. Policyholders rated improperly at 7 renewals – $200;

i. Policyholders rated improperly at 8 renewals – $225;

j. Policyholders rated improperly at 9 renewals – $250; and

k. Policyholders rated improperly at 10 or more renewals – $275.

3. Respondent CMIC will provide the Department with a data set for the policyholders identified above. This data set will specifically include:

a. The date and refund amount for each policyholder identified in item 2 above;

b. Whether the policyholder is active or inactive;

c. The type of refund issued (i.e. check, premium credit, etc.); and

d. The Department will provide the format of the data set during the compliance monitoring period.

4. No later than sixty days after the filing of this report, Respondent CPIC will provide the Department with a data set for the **53 total policyholders**[2] that were improperly rated for a

[2] These policyholders are identified in Final Findings 3, 4, 5, 8, and 9.

bankruptcy and whose premium was adversely impacted. Specifically, CMIC will remediate policyholders utilizing the schedule amounts below:

a. Policyholders rated improperly at new business – $50;
b. Policyholders rated improperly at 1 renewal – $50;
c. Policyholders rated improperly at 2 renewals – $75;
d. Policyholders rated improperly at 3 renewals – $100;
e. Policyholders rated improperly at 4 renewals – $125;
f. Policyholders rated improperly at 5 renewals – $150;
g. Policyholders rated improperly at 6 renewals – $175;
h. Policyholders rated improperly at 7 renewals – $200;
i. Policyholders rated improperly at 8 renewals – $225;
j. Policyholders rated improperly at 9 renewals – $250; and
k. Policyholders rated improperly at 10 or more renewals – $275.

5. CMIC will provide the Department with a data set for the policyholders identified above. This data set will specifically include:
   a. The date and refund amount for each policyholder identified in item 3 above;
   b. Whether the policyholder is active or inactive;
   c. The type of refund issued (i.e. check, premium credit, etc.); and
   d. The Department will provide the format of the data set during the compliance monitoring period.
6. Respondents will provide the Department with a specific timeline for the implementation of the above process.
7. Respondents will provide status updates to the Department every thirty (30) days, on an as needed basis, or at the Department's request, during the implementation and compliance monitoring period.

8. During the course of the implementation and compliance period, the Department may request additional documentation and/or supporting materials not specifically listed herein that demonstrate the Respondents' progress with the CAP requirements above.

DATED AND EFFECTIVE this 4th day March, 2025.

Barbara D. Richardson

Barbara D. Richardson, Director
Arizona Department of Insurance and Financial Institutions

CONSENT TO ORDER

1. Respondents acknowledge that they have been served with a copy of the foregoing Consent Order in the above-referenced matter, have read it, are aware of their right to an administrative hearing in this matter and have knowingly and voluntarily waived that right.

2. Respondents accept the personal and subject matter jurisdiction of the Department over them in this matter.

3. Respondents acknowledge that no promise of any kind or nature has been made to induce them to sign the Consent to Order and they have done so knowingly and voluntarily.

4. Respondents acknowledge and agree that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona's Consumer Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

5. Respondents acknowledge and agree that failure to correct the violations set forth above in this Consent Order, or any repeat findings of the above violations in the future, can result in disciplinary action which may include a greater civil money penalty and suspension or revocation of their certificates of authority.

6. Chad Allen represents that he is Executive Vice President and Chief Operating Officer for Country Financial Group, and, as such, is authorized to enter this Consent Order on its behalf.

Country Financial Group

12/10/2024

Date

Chad Allen,
Executive Vice President and Chief Operating Officer

COPY of the foregoing delivered
this 5th day of March, 2025 in the office of:

Barbara D. Richardson, Director
Arizona Department of Insurance and Financial Institutions
Attn: Ana Starcevic, Project Specialist
100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007
Ana.Starcevic@difi.az.gov

COPY of the foregoing delivered and/or emailed same date to:

Deian Ousounov, Chief Financial Deputy Director
Alena Caravetta, Regulatory Legal Affairs Officer
Kurt Regner, Deputy Assistant Director
Maria Ailor, Assistant Director
Ana Starcevic, Paralegal
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007

COPY of the foregoing transmitted electronically the same date to:

Country Financial Group
Attn: Calli Kistner, Director & Chief Compliance Officer – Insurance
1701 Towanda Avenue
Bloomington, IL 61701
Calli.Kistner@countryfinancial.com
Respondents

Ana Starcevic ____________