Before the State of South Carolina
Department of Insurance

In the matter of:	)	
	)	SCDI File Number 115017
Dairyland Insurance Company	)	
	)	Consent Order
1800 North Point Drive	)	Imposing Administrative Penalty
Stevens Point, WI 54481	)	
	)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Dairyland Insurance Company (Dairyland), an insurer licensed to transact insurance business within the State of South Carolina.

Dairyland hereby admits, and I find as fact, that it refused to issue automobile insurance policies in this state based on marital status. Dairyland has alleged that these violations of aSouth Carolina statute were completely unintentional. However, these actions are a direct violation of S.C. Code Ann. §§ 38-771-122 (Supp. 2002), and can ultimately lead to the revocation of the insurer's certificate of authority pursuant to S.C. Code Ann. § 38-5-120 (A) (2) (Supp. 2002) to transact the business of insurance within the State of South Carolina, subject to the insurer's right to a public hearing before the Administrative Law Judge Division.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, Dairyland and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke its certificate of authority to transact business as an insurer within the State of South Carolina, Dairyland would waive its right to a public hearing, immediately submit an administrative penalty in the total amount of $5,000.

S.C. Code Ann. § 38-77-122 (Supp. 2002) in pertinent part states "No insurer or agent shall refuse to issue an automobile insurance policy as defined in S.C. Code section 38-77-30 because of any one or more of the following factors: the age, sex, location of residence in this state, race color, creed, national origin, ancestry, marital status, or income level. …"

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that Dairyland did violate S.C. Code Ann. §§ 38-77-122 (Supp. 2002). Although I can now revoke the insurer's certificate of authority, I hereby impose an administrative penalty in the amount of $5,000 against Dairyland pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2002). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If that

WOR Dairyland Insurance Company.

total amount is not paid on, or before, that date, then Dairyland's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and in consideration of the internal corrective measures Dairyland has taken to prevent this problem from recurring and of its assurance that it will in the future comply with South Carolina insurance statutes and regulations. By the signature of one of its officers or authorized representatives upon this consent order, Dairyland acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act,* S.C. Code Ann. §§ 30-4-10, *et seq*. (1991 and Supp. 2002).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2002), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Dairyland Insurance Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of $5,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.

Ernst N. Csiszar
Director

~~August~~ Sep 8, 2003
Columbia, South Carolina

I CONSENT:

WOR Dairyland Insurance Company.

W O'Reilly

Signature of Authorized Representative

William M. O'Reilly

Name

Secretary

Title

Dairyland Insurance Company
1800 North Point Drive
Stevens Point, WI 54481
Dated this 2nd day of ~~August~~ September, 2003

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