

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

<b>In the Matter of</b>	)	
	)	
<b>Continental Casualty Company,</b>	)	<b>CONSENT ORDER</b>
<b>FEIN 36-2114545,</b>	)	
	)	<b>FILE NO. CO-15-565</b>
<b>Respondent.</b>	)	

**TO: Hilary Lewis, Vice President & Associate General Counsel, Continental Casualty Company, 333 South Wabash Avenue, Chicago, IL 60604**

Insurance Commissioner Adam Hamm (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D.C.C. § 26.1-01-03.
2. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order, and this Consent Order is made in the public interest.
3. In October 2014, the Department became aware that an unapproved certificate of coverage issued by Continental Casualty Company, a CNA member insurance company, was being utilized in North Dakota.
4. Through the Department's investigation, the Department discovered that the unapproved form had been issued to North Dakota real estate agents since 2003.
5. Once alerted to the requirement that the certificate be filed and approved, Respondent filed the form and it was approved by the Department. From 2003 through

2013, 8,689 certificates were issued without being filed and approved by the Department.

6. Continental Casualty Company (“Respondent”), FEIN 36-2114545, at all relevant times, was a foreign insurance company domiciled in Illinois and licensed to do business in North Dakota.

7. As a result of information obtained by the Department regarding the conduct of Respondent, the Commissioner has considered the imposition of a civil penalty or any other action the Commissioner deems necessary. Respondent’s conduct is alleged to be in violation of N.D.C.C. §§ 26.1-30-19 and 26.1-30-20.

8. N.D.C.C. § 26.1-30-19(4) states:

**26.1-30-19. Policy forms to be filed with and approved by commissioner.**

...

4. No casualty or fire and property insurance policy, certificate, contract, or agreement may be issued for delivery or delivered to any person in this state nor may any application, rider, or endorsement be used in connection therewith until the form thereof has been filed and approved by the commissioner to the extent rates are filed and approved pursuant to chapter 26.1-25.

9. N.D.C.C. § 26.1-30-20 states:

**26.1-30-20. Procedure for use of policy forms filed with commissioner.** No insurance policy, certificate, contract, agreement, or rate schedule, except as is otherwise provided, may be issued, nor may any application, rider, or endorsement be used in connection therewith until the expiration of sixty days after it has been filed unless the commissioner gives written approval. The commissioner may extend the sixty-day period for an additional person not to exceed fifteen days if the commissioner gives written

behalf of the Company, fully understands the contents and effect of the Consent Order. The Company has been advised of its right to be represented by legal counsel, to request a hearing in this matter, to present evidence and arguments to the Commissioner, and of its right to appeal from an adverse determination after hearing. By the signing of this Consent to Entry of Order, the undersigned on behalf of the Company waives those rights in their entirety and voluntarily consents to the entry of this Consent Order by the Insurance Commissioner and agrees to be bound by it. It is further expressly understood that this Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements either expressed or implied.

DATED this 3<sup>RD</sup> day of September, 2015.

Continental Casualty Company

By: William H. Michtel

Its: Chief Compliance Officer

Subscribed and sworn to before me

this 3<sup>rd</sup> day of September, 2015.

Kathleen Sulikowski  
Notary Public

State of ILLINOIS

County of COOK

My commission expires: 10/22/15



notice within the sixty-day period to the insurer which made the filing that the commissioner needs the additional time for the consideration of the filing.

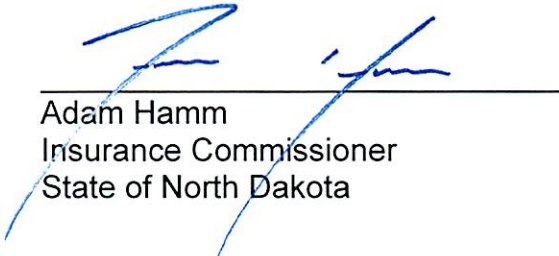
10. Respondent may be subjected to an administrative penalty pursuant to N.D.C.C. § 26.1-01-03.3 and suspension, revocation or refusal pursuant to N.D.C.C. § 26.1-26-43.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent agrees to pay an administrative penalty in the amount of \$7,500 to the North Dakota Insurance Department within 15 business days of the execution of this Order. Payment must be sent to: North Dakota Insurance Department, 600 East Boulevard Avenue, Bismarck, ND 58505-0320.

2. The use of this Consent Order for competitive purposes by an insurance producer 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 the license or authority.

DATED this 11<sup>th</sup> day of September, 2015.



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Adam Hamm  
Insurance Commissioner  
State of North Dakota

### CONSENT TO ENTRY OF ORDER

The undersigned, **William H. Nachtsheim**, on behalf of **Continental Casualty Company**, states that the undersigned has read the foregoing Consent Order and is authorized by the Company to consent to the entry of this order. The undersigned, on