

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority
of Illinois Union Insurance Company,
NAIC No. 27960

CONSENT ORDER

TO: Mr. John J. Groody
Illinois Union Insurance Company
Routing TL35E
1601 Chestnut Street
P.O. Box 41484
Philadelphia, Pennsylvania 19101-1484

Commissioner of Commerce James C. Bernstein (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised Illinois Union Insurance Company (hereinafter "Respondent") that as a result of an investigation by the Commissioner concerning Respondent's conduct as a corporation seeking an application to conduct the business of insurance in Minnesota, the Commissioner is prepared to commence formal proceedings in accordance with the provisions of Minn. Stat. § 45.027 (2002) against Respondent based on allegations that Respondent failed to obtain the necessary licenses prior to conducting business in this State, in violation of Minn. Stat. § 60A.198 (2002);

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings or has been advised of its right to counsel, which right it hereby waives;

3. Respondent has agreed to an informal disposition of this matter without a hearing, as provided under Minn. Stat. § 14.59 (2002) and Minn. R. 1400.5900 (2001);

4. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2000) that Respondent shall pay to the State of Minnesota a civil penalty of \$5,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 09-10-02.

JAMES C. BERNSTEIN
Commissioner of Commerce
State of Minnesota

By:



GARY A. LAVASSEUR
Deputy Commissioner
Enforcement Division

85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
Telephone: (651)296-2594

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Illinois Union Insurance Company, states that he has read the foregoing Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he has been advised of Respondent's right to be represented by legal counsel and that he has waived this right; and that he consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

Illinois Union Insurance Company

By: John J. Groody *John J. Groody*
Its: Secretary

STATE OF Pennsylvania

COUNTY OF Philadelphia

This instrument was acknowledged before me on 8/22/02 (date) by John J. Groody

(name(s) of person(s)) as Secretary (type of authority, e.g., officer, trustee, etc.) of

Illinois Union Insurance Company (name of party on behalf of whom the instrument was executed).

(stamp)

Constance Ann DiLella
(Signature of notary officer)

Notary
Title (and Rank)
My commission expires

