

IN2005295/MBF

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority
of Auto-Owners Insurance Company,
a corporation licensed
to do business in the State of Minnesota.
NAIC No. 18988

CONSENT ORDER

TO: Auto-Owners Insurance Company
PO Box 30660
Lansing, MI 48909-8160

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

1. The Commissioner has advised Auto-Owners Insurance Company (hereinafter "Respondent") that as a result of an investigation by the Commissioner concerning Respondent's conduct as a corporation engaged in the business of insurance in Minnesota, the Commissioner is prepared to commence formal proceedings in accordance with the provisions of Minn. Stat. § 45.027 (2000) against Respondent's Certificate of Authority to engage in the business of insurance in Minnesota based on allegations that Respondent has not attempted in good faith to effectuate prompt and equitable settlements of glass claims and has failed to provide a reasonable explanation of the basis in the insurance policy or the applicable law for the partial denial of glass claims, in violation of Minn. Stat. § 72A.20, Subd. 12(3) and 12(6) (2000); Minn. Stat. § 72A.201, Subd. 8(5)(i) (2000); and Minn. Stat. § 72A.20, Subd. 6(14) (2000).

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 (2000) and Minn. R. 1400.5900 (1999).

4. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, that Respondent shall cease and desist from further violations of the above-referenced statutes.

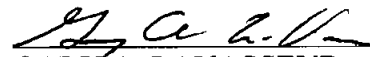
IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2000) that Respondent shall pay to the State of Minnesota a civil penalty of \$5,000 and investigative costs of \$10,000.

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

Dated: 12-29-00

JAMES C. BERNSTEIN
Commissioner

By:


GARY A. LAVASSEUR
Deputy Commissioner
Enforcement and Compliance Division

85 7th Place East, Suite 500
St. Paul, Minnesota 55101
Telephone: (651) 296-2594

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Auto-Owners 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.

AUTO-OWNERS INSURANCE COMPANY

By: *William F. Woodbury*
William F. Woodbury

~~XX~~ Senior Attorney

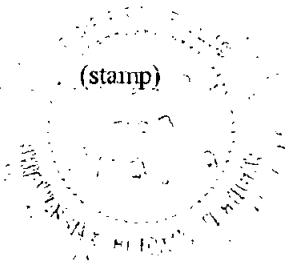
STATE OF MICHIGAN

COUNTY OF EATON

This instrument was acknowledged before me on 12-26-00 (date) by W.F. WOODBURY

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

AUTO-OWNERS INS. CO. (name of party on behalf of whom the instrument was executed).



Robert C. Ellis
(Signature of notary officer)

Title (and Rank)

My commission expires: _____

ROBERT C. ELLIS
Notary Public, Shiawassee Co., MI
Acting in Eaton County, MI
My Comm. Expires Oct. 29, 2002