

**STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority  
of Continental Casualty Company, NAIC 20443,  
a Illinois corporation licensed  
to do business in the State of Minnesota.

**CONSENT ORDER**

TO: Continental Casualty Company  
CNA Insurance Companies – Floor 16S  
CNA Plaza – 333 South Wabash  
Chicago, IL 60604

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

1. The Commissioner has advised Continental Casualty 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's appointed agent issued an advertisement in the form of a survey (attached as Exhibit #1) and failed to indicate that the purpose of the survey is to obtain potential insurance prospects, causing the advertisement to have the tendency to mislead or deceive a potential insured, in violation of Minn. Rule 2790.0400, subp.1 (2001) and Minn. Stat. § 62S.29, subd. 2 (3) (2000); failed to clearly state the insurance coverage being offered in violation of Minn. Rule 2790.0500, subp.31 (2001); failed to maintain a system of control over the advertisement being constructed in violation of Minn. Rule 2790.2100, subp.1 (2001); and failed to file the advertisement with the Department of Commerce

prior to its use in 1998 in violation of Minn. Stat. §§ 62A.54, subd. 1 (2000), 62A.31, subd. 5 (2000) and 62S.28 (2000).

2. Respondent acknowledges that it has been advised of its right 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, and neither admits or denies the allegations. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings.

3. The parties acknowledge that this Order is a compromise and does not constitute an admission of liability by Respondent.

4. 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 (2001).

5. The following Order is in the public interest. The Order constitutes a full settlement of any and all possible violations that the Commissioner has or could have issued against the Respondent regarding the use of survey (Exhibit #1).


**NOW, THEREFORE, IT IS HEREBY ORDERED**, that Respondent shall pay to the State of Minnesota a civil penalty in the amount of \$40,000.

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

Dated: 07-09-02

James 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 Continental Casualty Company, states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effect; that he/she is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he/she has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he/she has been advised of Respondent's right to be represented by legal counsel and that he/she has waived this right; and that he/she 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.

**Continental Casualty Company**

By: *Heather M. Somers*  
Its: *AVP & Assistant General Counsel*

STATE OF Tennessee  
COUNTY OF Davidson

This instrument was acknowledged before me on 6/28/02 (date) by Heather M. Somers  
(name(s) of person(s)) as officer (type of authority, e.g., officer, trustee, etc.) of  
Continental Casualty Co. (name of party on behalf of whom the instrument was executed).

(stamp)

*Jacquelyn H. Hester*  
(Signature of notary officer)

Title (and Rank) \_\_\_\_\_  
My commission expires SEPT. 28, 2002

