



Department of Insurance

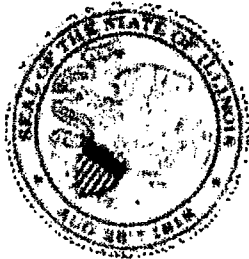
IN THE MATTER OF
THE EXAMINATION OF:

AMERICAN FAMILY MUTUAL INSURANCE COMPANY
6000 AMERICAN PARKWAY
MADISON, WISCONSIN 53783-0001

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 5/131.21, 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint Bernie Sullivan, Examiner-In-Charge, and associates as the proper persons to examine the insurance business and affairs of American Family Mutual Insurance Company of Madison, Wisconsin, and to make a full and true report to me of the examination made by them of American Family Mutual Insurance Company with a full statement of the condition and operation of the business and affairs of American Family Mutual Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of American Family Mutual Insurance Company.



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.
Done at the City of Springfield, this *7th* day of *August* 2009.

Michael T. McRaith

Michael T. McRaith

Director

This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

Jim Rundblom
Staff Attorney
Illinois Department of Insurance

**American Family Mutual Insurance Company
American Standard Insurance Company of Wisconsin**

MARKET CONDUCT RE-EXAMINATION REPORT

DATE OF RE-EXAMINATION: September 21, 2009, through November 20, 2009

EXAMINATION OF: American Family Mutual Insurance Company
(P & C Foreign)

American Standard Insurance Company
(P & C Foreign)

LOCATION: 4802 Mitchell Avenue
St. Joseph, MO 64507

4501 N. Sterling Ave.
Peoria, IL 61615

**PERIOD COVERED BY
RE-EXAMINATION:** May 1, 2008, through April 30, 2009

EXAMINERS: Bernie Sullivan Jr. LUTCF
Examiner-in-Charge

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I. COMPLIANCE:

The Company was previously the subject of a Market Conduct Examination completed on October 19, 2007. Based on the findings of that exam report, Stipulation and Consent Orders were issued. The following is a summary of the current examination findings. Listed below are the Orders as originally issued, followed by a statement whether the company as a whole was found to be in substantial compliance with such Orders.

ORDER #1: Institute and maintain procedures whereby Farm Ranch insureds, whose policies are being cancelled or non-renewed, are notified of their eligibility for the FAIR Plan and the procedure to make application to the FAIR Plan as required by Section 5/143.22 of the Illinois Insurance Code. (See 215 ILCS 5/143.22).

The Company is substantially complying with this Order.

ORDER #2: Institute and maintain procedures whereby Farm Ranch policyholders whose policies are being non-renewed are provided sixty (60) days advance notice as required by Section 5/143.17a of the Illinois Insurance Code. (See 215 ILCS 5/143.17a).

The Company is substantially complying with this Order.

ORDER #3: Institute procedures whereby commercial policyholders whose policies are being cancelled are provided loss runs as mandated by Section 5/143.10a of the Illinois Insurance Code. (See 215 ILCS 5/143.10a).

The Company is substantially complying with this Order.

ORDER #4: Institute procedures whereby commercial policyholders are provided specific explanations of the reason or reasons for cancellations and provided proper advance notice as required by Section 5/143.16 of the Illinois Insurance Code. (See 215 ILCS 5/143.16).

The Company is substantially complying with this Order.

ORDER #5: Institute procedures whereby the proof of mailing of the notice of cancellation of commercial policies is maintained and evidence is preserved that a notice of cancellation was sent to the commercial policyholder when cancelling the commercial policy as required by Section 5/143.14 of the Illinois Insurance Code. (See 215 ILCS 5/143.14).

The Company is substantially complying with this Order.

ORDER #6 Institute procedures whereby commercial policyholders whose policies are being cancelled are notified of their eligibility for the FAIR Plan and the procedure to make application to the FAIR Plan as required by Section 5/143.22 of the Illinois Insurance Code. (See 215 ILCS 5/143.22).

The Company is substantially complying with this Order.

ORDER #7 Institute and maintain procedures whereby commercial policyholders are provided specific explanations of the reason or reasons for nonrenewal and provided proper advance notice as required by Section 5/143.17a of the Illinois Insurance Code. (See 215 ILCS 5/143.17a).

The Company is not substantially complying with this Order.

ORDER #8 Institute and maintain procedures whereby First Party Auto collision claimants and First Party Total Loss claimants are provided delay letters when a claim remains unresolved for more than forty (40) days as outlined in Section 919.80(b)(2) of the Illinois Administrative Code. (See 50 Ill. Adm. Code 919.80(b)(2)).

The Company is not substantially complying with this Order.

ORDER #9: Institute and maintain procedures whereby policyholders who have experienced a total loss are provided the information contained in Exhibit A within seven (7) days of the vehicle being determined a total loss as is mandated in Section 919.80(c) of the Illinois Administrative Code. (See 50 Ill. Adm. Code 919.80(c)).

The Company is not substantially complying with this Order.

ORDER #10: Institute and maintain procedures whereby homeowner and dwelling fire policyholders are provided delay letters when a claim remains unresolved for more than seventy-five (75) days as outlined in Section 919.80(d)(7)(B) of the Illinois Administrative Code. (See 50 Ill. Adm. Code 919.80(d)(7)(B)).

The Company is substantially complying with this Order.

II. SUMMARY

1. The Company was criticized under 215 ILCS 5/143.17(a) for failing to provide the insureds with specific reasons for nonrenewal, failing to provide the insureds with the required 60-day advanced notice of cancellation, or failing to maintain the proof of mailing.

A general trend criticism was issued. This is a violation of Order #7 of the Stipulation & Consents Orders issued by the Director on August 8, 2008.

2. The Company was criticized under 50 Ill. Adm. Code 919.80(b)(2) for failing to provide the insureds with a reasonable written explanation of delay when the claim remained unresolved for more than 40 days from the date of report to the date of final payment or rendering of the repaired vehicle.

General trend criticisms were issued in the first party paid and total loss surveys. This is a violation of Order #8 of the Orders issued by the Director of Insurance on August 8, 2008.

3. The Company was criticized under 50 Ill. Adm. Code 919.80(c)(3)(B) for taking deductions for reconditioning, detailing and cleanup in the total loss survey, resulting in underpayments totaling \$652.75. Refunds were processed during the examination.
4. The Company was criticized under 215 ILCS 5/154.6(d) for either making double deductions for wear and tear and prior damage on the total loss claims or failing to pay the holdback amount to the insured, resulting in underpayments totaling \$1,484.00. Refunds were processed during the examination.
5. The Company was criticized under 50 Ill. Adm. Code 919.80(d)(4)(A)(iii) for deducting wear and tear on the total loss vehicle without itemizing and documenting the amounts in the file, resulting in underpayment totaling \$3,862.00. Refunds were processed during the examination.
6. The Company was criticized under 50 Ill. Adm. Code 919.80(c) for failing to provide the right of recourse letter within seven (7) days of determination of the total loss.

A general trend criticism was issued in the total loss survey. This is a violation of Order #9 of the Orders issued by the Director of Insurance on August 8, 2008.

III. BACKGROUND:

American Family Mutual Insurance Company

The Company was incorporated on May 18, 1927, under the laws of the State of Wisconsin with the title Farmers Mutual Automobile Insurance Company, and it began operations on October 3, 1927. Only the automobiles of farmers were insured from inception until April 1933. Charter powers were broadened in 1950 to permit multiple line underwriting. The present title was adopted on March 5, 1963.

American Standard Insurance Company of Wisconsin

The Company was incorporated on April 5, 1961, under the laws of the State of Wisconsin and began operations on September 28, 1961. The words "of Wisconsin" were added to the title on June 8, 1962.

The companies' corporate home offices are at 6000 American Parkway, Madison, WI 53783-0001.

IV. METHODOLOGY:

The Market Conduct Examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants.

The following categories are the general areas examined:

1. Risk Selection
2. Claims

The review of these categories is accomplished through examination of individual risk selection and claim files, written interrogatories and interviews with Company personnel. Each of these categories is examined for compliance with Department of Insurance rules and regulations and applicable state laws.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated with the insurer, but not cited in the report if not indicative of a general trend, except to the extent that there were underpayments and/or overpayments.

The following method was used to obtain the required samples and to assure a methodical selection: Surveys were developed from Company-generated Excel spreadsheets. Random statistical printout reports were generated by the examiners and presented to the Company for retrieval.

Claims were requested based on the settlement occurring within the period under examination.

All claims were reviewed for compliance with policy contracts and endorsements and applicable sections of the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Part 919 (50 Ill. Adm. Code 919).

Selection of Samples

<u>Survey</u>	<u>Population</u>	<u># Reviewed</u>	<u>% Reviewed</u>
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Risk Selection:

Farm/Ranch Cancellations	1	1	100.00%
Farm/Ranch Nonrenewals	3	3	100.00%
Commercial Cancellations	453	116	25.61%
Commercial Nonrenewals	660	116	17.58%

Claims:

Auto First Party Paid & Median	21,526	116	.54%
Auto First Party Closed Without Payment	9,530	100	1.05%
Auto Total Losses	3,533	90	2.55%
Homeowner Paid & Median	13,509	116	.86%
Homeowner Closed without Payment	4,511	80	1.77%
Residential Fire Paid & Median	33	33	100.00%
Residential Fire Closed without Payment	17	17	100.00%

IV. FINDINGS:

A. Risk Selection:

1. Farm/Ranch Cancellations

There were no criticisms in this survey.

2. Farm/Ranch Nonrenewals

There were no criticisms in this survey.

3. Commercial Cancellations

In two (2) cancellations (1.72% of the 116 files reviewed), the company failed to advise the insured of the right to appeal and the procedure to follow for such appeal as required by 215 ILCS 5/143.23.

In seven (7) cancellations (6.03% of the 116 files reviewed), the company either failed to provide the insured with the required 30-day advanced notice of cancellation (1 file), failed to provide a specific reason for cancellation (3 files), or failed to provide the insured with the required 60-day advanced notice of cancellation when the policy was effective for 61 days or more (3 files) as required by 215 ILCS 5/143.16.

4. Commercial Nonrenewals

In fifteen nonrenewals (12.93% of the 116 files reviewed), the company either failed to provide the insured with a specific reason for nonrenewal (3 files), failed to provide the insured with the required 60-day advanced notice of nonrenewal (4 files), or failed to maintain the proof of mailing (8 files) as required by 215 ILCS 5/143.17a. A general trend criticism was issued. This is a violation of Order #7 of the Stipulation & Consents Orders issued by the Director on August 8, 2008.

B. Claims

1. First Party Paid & Median

The median payment period was 16 days, distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	76	68.47%
31-60	20	18.02%
61-90	13	11.71%
91-180	0	0.00%
181-365	2	1.80%
<u>Over 365</u>	<u>0</u>	<u>0.00%</u>
Total	111	100.00%

In six (6) first party paid claim files (5.17% of the 116 files reviewed but 42.86% of the 14 files requiring a written explanation) the company failed to provide the insureds with a reasonable written explanation of delay when the claim remained unresolved for more than 40 days from the date of report to the date of final payment or rendering of the repaired vehicle as required by 50 Ill. Adm. Code 919.80(b)(2). A general trend criticism was issued since this is a violation of Order #8 of the Orders issued by the Director of Insurance on August 8, 2008.

2. First Party Closed without Payment

In two (2) first party closed without payment claim files (2.00% of the 100 files reviewed), the company failed to include sufficient documentation in order to allow reconstruction of the claim process as required by 50 Ill. Adm. Code 919.30(c).

In four (4) first party closed without payment claim files (4.00% of the 100 files reviewed), the Company failed to provide the insureds with a reasonable written explanation of delay when the claim remained unresolved for more than 40 days from the date of report to the date of final payment or rendering of the repaired vehicle as required by 50 Ill. Adm. Code 919.80(b)(2).

3. Total Losses

In four (4) total loss paid claims (4.44% of the 90 files reviewed), the Company made deductions for reconditioning, detailing and cleanup in violation of 50 Ill. Adm. Code 919.80(c)(3)(B), resulting in underpayments totaling \$652.75. Refunds were processed during the examination.

In five (5) total loss paid claims (5.56% of the 90 files reviewed but 38.46% of the 13 files requiring the explanation), the Company failed to provide the insureds with a reasonable written explanation of delay when the claim remained unresolved for more than 40 days from the date of report to the date of final payment or rendering of the repaired vehicle as required by 50 Ill. Adm. Code 919.80(b)(2). A general trend criticism was issued since this is a violation of Order #8 of the Orders issued by the Director of Insurance on August 8, 2008.

In four (4) total loss paid claims (4.44% of the 90 files reviewed), the Company either made double deductions for wear and tear and prior damage on the claim (4 files) or failed to pay the holdback amount to the insured (1 file), resulting in underpayments totaling \$1,484.00. Refunds were processed during the examination.

In seven (7) total loss paid claims (7.78% of the 90 files reviewed), the Company deducted wear and tear on the total loss vehicle without itemizing and documenting the amounts in the file as required by 50 Ill. Adm. Code 919.80(d)(4)(A)(iii). This resulted in underpayment totaling \$3,862.00. Refunds were processed during the examination.

In twenty-two (22) total loss paid claims (24.44% of the 90 files reviewed), the Company either failed to provide the right of recourse letter within seven (7) days of determination of the total loss (15 files) or failed to provide the insured with the Right of Recourse letter (7 files) as required by 50 Ill. Adm. Code 919.80(c). A general trend criticism was issued. This is a violation of Order #9 of the Orders issued by the Director of Insurance on August 8, 2008.

4. Homeowner Paid & Median

The median payment period was 20 days, distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	71	63.39%
31-60	11	9.82%
61-90	8	7.14%
91-180	13	11.61%
181-365	7	6.25%
<u>Over 365</u>	<u>2</u>	<u>1.79%</u>
Total	112	100.00%

In three (3) homeowner paid claims (2.58% of the 116 files reviewed), the company failed to provide the insured with a reasonable written explanation for delay when the claim remained unresolved in excess of 75 days as required by 50 Ill. Adm. Code 919.80(d)(7)(B).

5. Homeowner Closed without Payment

In four (4) homeowner closed without payment claims (5.00% of the 80 files reviewed), the company failed to provide the insured with a reasonable written explanation for delay when the claim remained unresolved in excess of 75 days as required by 50 Ill. Adm. Code 919.80(d)(7)(B).

In four (4) homeowner closed without payment claims (5.00% of the 80 files reviewed), the company failed to provide the insured with a reasonable written explanation of the basis for denial within 30 days of determination of liability as required by 50 Ill. Adm. Code 919.50(a)(1).

6. Residential Fire Paid & Median

The median payment period was 12 days, distributed as follows:

<u>Days</u>	<u>Number</u>	<u>Percentage</u>
0-30	23	71.88%
31-60	4	12.50%
61-90	2	6.25%
91-180	1	3.13%
181-365	2	6.25%
<u>Over 365</u>	<u>0</u>	<u>0.00%</u>
Total	32	100.00%

There were no trends or areas of concern.

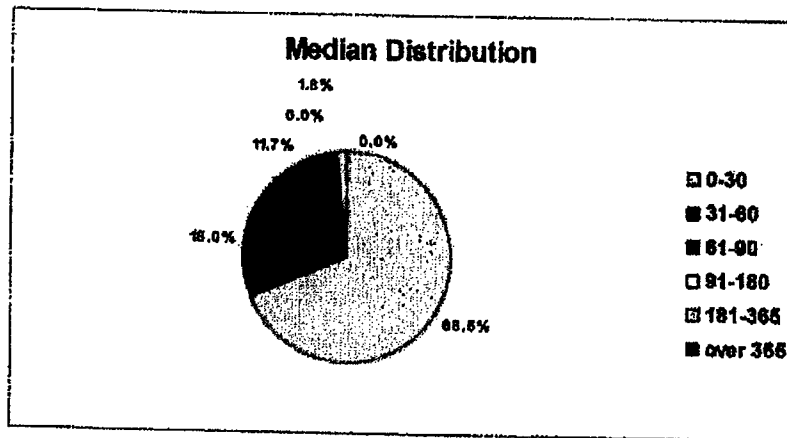
7. Residential Fire Closed without Payment

There were no criticisms in this survey.

VII. TECHNICAL APPENDICES:

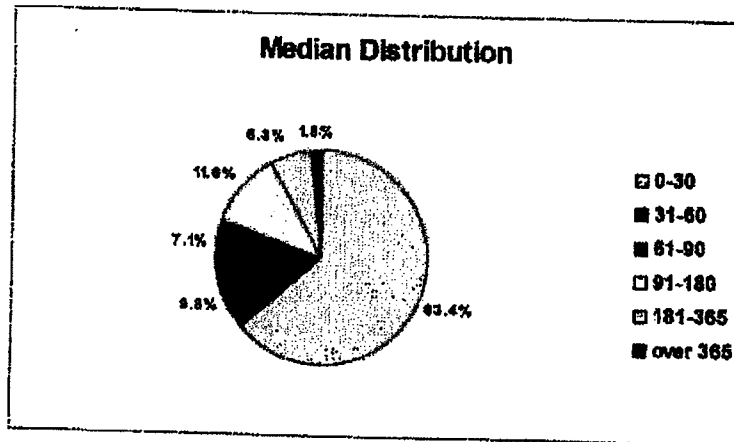
FIRST PARTY PAID & MEDIAN

No. Days Category	MEDIAN DISTRIBUTION	
	Number	Percent
0-30	76	68.47%
31-60	20	18.02%
61-90	13	11.71%
91-180	0	0.00%
181-365	2	1.80%
over 365	0	0.00%
Total	111	100.00%



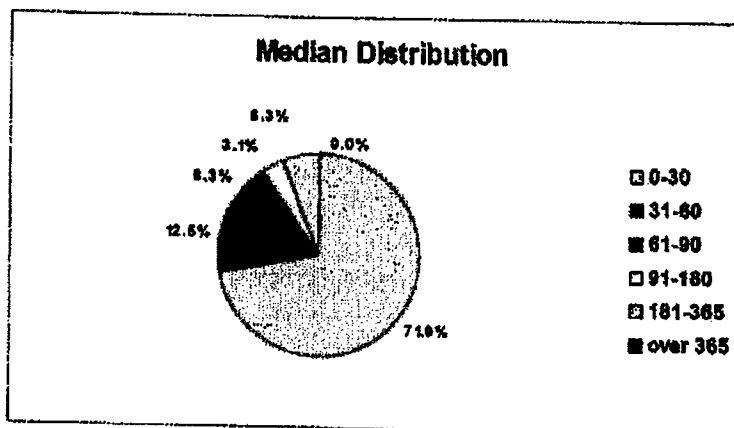
HOMEOWNER PAID & MEDIAN

MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	71	63.39%
31-60	11	9.82%
61-90	8	7.14%
91-180	13	11.61%
181-365	7	6.25%
over 365	2	1.79%
Total	112	100.00%



RESIDENTIAL FIRE PAID & MEDIAN

MEDIAN DISTRIBUTION		
No. Days Category	Number	Percent
0-30	23	71.88%
31-60	4	12.50%
61-90	2	6.25%
91-180	1	3.13%
181-365	2	6.25%
over 365	0	0.00%
Total	32	100.00%



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

Bernie Sullivan, being first duly sworn upon his oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of:

American Family Mutual Insurance Company, NAIC #19275

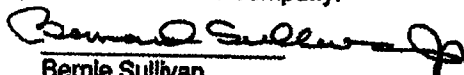
That, as Examiner-In-Charge, he was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither he nor any other persons designated as examiners nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as policyholders, and that neither he nor any other persons designated as examiners nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.


Bernie Sullivan
Examiner-In-Charge

Subscribed and sworn to before me
this 22 day of March 2013.


Notary Public



STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

American Family Mutual Insurance Company
and
American Standard Insurance Company of Wisconsin
6000 American Parkway
Madison, WI 53783-0001

STIPULATION AND CONSENT ORDER

WHEREAS, the Director ("Director") of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, American Family Insurance Company and American Standard Insurance Company of Wisconsin ("American Family") are property and casualty insurance companies authorized under the insurance laws of this State and by the Director as foreign stock companies, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a market conduct examination of American Family was conducted by duly qualified examiners from the Department pursuant to Sections 132, 401, 401.5, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403 and 5/425); and

WHEREAS, the Department filed an examination report as an official document of the Department as a result of the targeted market conduct examination; and

WHEREAS, said report cited various areas in which American Family was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by or in connection with this Stipulation and Consent Order, shall constitute, or be construed as an admission of fault, liability or wrongdoing of any kind whatsoever by American Family; and

WHEREAS, American Family is aware of and understands the various rights in connection with the examination report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, American Family understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, American Family and the Director, for purposes of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between American Family and the Director as follows:

1. That the market conduct examination indicated various areas in which American Family was not in compliance with the Illinois Insurance Code and/or Department Regulations; and
2. That American Family and the Director consent to this Stipulation and Consent Order requiring American Family to take certain actions to become compliant with certain provisions of the Illinois Insurance Code and/or Department regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that American Family shall:

1. Institute and maintain procedures required by 215 ILCS 5/143.17(a) to provide the insureds with specific reasons for cancellation, to provide the insureds with the required 60-day advanced notice of cancellation, and to maintain the proof of mailing of such notices.
2. Institute and maintain procedures to provide the insureds with a reasonable written explanation of delay when the claim remained unresolved for more than 40 days from the date of report to the date of final payment or rendering of the repaired vehicle as required by 50 Ill. Adm. Code 919.80(b)(2).
3. Institute and maintain procedures to comply with 50 Ill. Adm. Code 919.80(e)(3)(B) so that deductions are not taken for reconditioning, detailing and cleanup of replacement vehicles.
4. Institute and maintain procedures so that double deductions are not taken for wear and tear and prior damage on the total loss claims and so that the holdback amount is paid to the insured, so as not to violate 215 ILCS 5/154.6(d).
5. Institute and maintain procedures to itemize and document deductions for wear and tear on the total loss of the vehicle as required by 50 Ill. Adm. Code 919.80(d)(4)(A)(iii).
6. Institute and maintain procedures to provide the right of recourse letter within seven (7) days of determination of the total loss as required by 50 Ill. Adm. Code 919.80(c).
7. Submit to the Director a civil forfeiture of \$15,000.00 within 30 days of the entry date of this Stipulation and Consent Order.
8. Submit to the Director proof of compliance with the above seven (7) Orders within 30 days of the entry date of this Stipulation and Consent Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory actions as set forth in the Illinois Insurance Code, including but not limited to levying additional fees, should American Family violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department regulations.

On behalf of
American Family Mutual Insurance Company

Leslie Aven
Signature

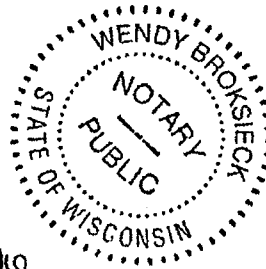
Leslie Aven
Name

Director of Compliance + Ethics
Title

Subscribed and sworn to before me this

4th day of April A.D. 2013.

Wendy Brotsiek
Notary Public 10/12/2014
State of Wisconsin County of Dane



On behalf of
American Standard Insurance Company of Wisconsin

Leslie Aven
Signature

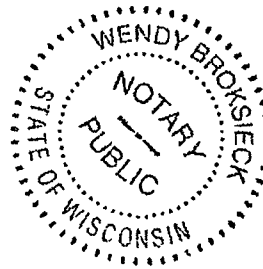
Leslie Aven
Name

Director of Compliance + Ethics
Title

Subscribed and sworn to before me this

4th day of April A.D. 2013.

Wendy Brotsiek
Notary Public 10/12/2014
State of Wisconsin County of Dane



DEPARTMENT OF INSURANCE of the
State of Illinois;

Date: May 1, 2013

Andrew Boron
Andrew Boron
Director



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

June 17, 2013

Mr. Jack Charles Salzwedel
President
American Family Mutual Insurance Company
6000 American Parkway
Madison, WI 53783-0001


*sent via USPS certified mail
return receipt requested*

Dear Mr. Salzwedel:

This is in response to your April 23, 2013 letter on this subject as well as additional supporting documentation that was provided to the Department on May 7, 2013.

Attached to your April 23, 2013 letter was a \$15,000 check in payment of the civil forfeiture set forth in Order # 7 as well as proofs of compliance with Order # 1 through Order # 6 in the Stipulation and Consent Order. On May 6, 2013, you provided additional proof of compliance as requested by the Department for Order #1. These proofs of compliance have been reviewed and are satisfactory.

An original copy of the fully executed Stipulation and Consent Order is enclosed for your records. Accordingly, the Department is closing its file on this exam. I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132.

Yours Truly,

James C. Rundblom
Deputy General Counsel
Illinois Department of Insurance
320 W. Washington Street
Springfield, IL 62767
217-785-8559
Jim.Rundblom@illinois.gov