

STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER OF DIRECTOR DEPARTMENT OF INSURANCE

After consideration and review of the Missouri market conduct examination report of Columbia Insurance Group, which includes Columbia Mutual Insurance Co. and Columbia National Insurance Co. (hereafter referred to as "the Company"), Missouri Market Conduct Examination report number 0502-06-PAC, I, W. Dale Finke, Director, Missouri Department of Insurance, pursuant to §374.205.3(3)(a), RSMo, do hereby adopt such report as filed.

After my consideration and review of such report, relevant workpapers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be my findings and conclusions accompanying this order pursuant to §374.205.3(4), RSMo.

The Company is hereby ORDERED to CURE the violations of law, regulations or prior orders revealed in such report and to take remedial action bringing the Company into compliance with the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Company will educate its producers and take any needed steps to assure that the question regarding prior cancellations, non-renewals, and declinations is never asked or answered on its Missouri insurance applications, such that it does not violate §376.936(11)(f), RSMo, and MDI Bulletin 94-04.

2. The Company will take any needed steps to assure that it provides its insureds a sufficiently specific and clear reason for non-renewal in order for the recipient to identify the basis for the insurer's decision without further inquiry, as required by §379.883.3, RSMo.

3. The Company will take any needed steps to assure that the sales tax credit affidavit used by the Company and provided to its claimants indicate that the claimant has 180 days within which to replace his or her vehicle, as set forth and required by §144.027, RSMo, and 20 CSR 300-2.200(3)(B)3.

4. The Company will take any necessary steps to assure that it properly and accurately pays policyholders' claims and reimburses claimants as required by the Company's policy provisions and applicable Missouri law.

So adopted, found, concluded and ordered on this 10th of January, 2006.



W. Dale Finke, Director
Department of Insurance
State of Missouri