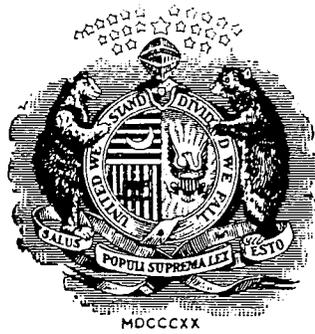


STATE OF MISSOURI

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 American Republic Insurance Company (hereafter referred to as “the Company”), Missouri Market Conduct Examination report number 0310-39-LAH, 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. Ensure that none of its advertising, website, or agent training material includes any misleading, untrue or deceptive statements or information, and is clear and understandable to the consumer, in order to comply with the requirements of §376.936(4), RSMo, and 20 CSR 400-2.060(4)(C), 20 CSR 400-5.100(7), and 20 CSR 400-5.700(15); and
2. Ensure that none of its applications, advertising, website, or agent training material have the question regarding whether the insured had been previously cancelled, non-renewed, or

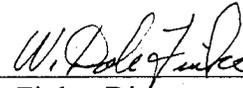
declined asked or answered, in order to comply with the requirements of §376.936(11)(f), RSMo; and

3. Ensure that all of its policy contracts and related forms comply with Missouri law, including, but not limited to, mandated extraterritorial benefit and emergency medical treatment coverage, grievance procedure information, as required by §376.781, 376.936(4), and (6)(a), 376.1225, 376.1350(12), 376.1367, 376.1378.3, RSMo; and

4. Ensure that all complaints and policyholder claims that it receives directly from consumers and providers are handled in a timely manner and in accordance with Missouri law, including, but not limited to, §375.1007, 376.383, 376.1335.2, 376.1361(13), and 376.1363, RSMo, and 20 CSR 100-1.030(2), and 20 CSR 300-2.200(2); and

5. Ensure that all complaints and policyholder claims that it receives from the Missouri Department of Insurance are handled in a timely manner and in accordance with Missouri law, including, but not limited to, §375.1007, 376.955.11, 376.1225, and 408.020, RSMo.

So adopted, found, concluded and ordered on this 25th of January, 2006.



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