

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

In re:)
) Investigation No. 10106-13935-PC
Federated Mutual Insurance Company (NAIC #13935))

ORDER OF THE DIRECTOR

NOW, on this 27th day of JANUARY, 2012, Director John M. Huff, after consideration and review of the market conduct investigation of Federated Mutual Insurance Company (NAIC #13935), (hereafter referred to as "the Company") investigation number 10106-13935-PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190 RSMo, and the Stipulation of Settlement ("Stipulation"), does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo (Cum. Supp. 2010) and §374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that, the Company and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

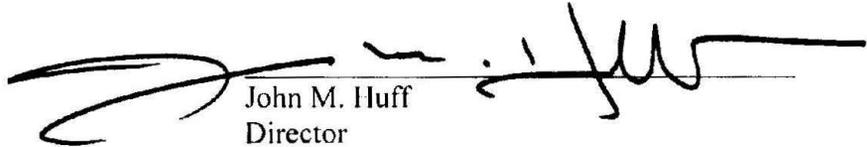
IT IS FURTHER ORDERED that the Company shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place the Company in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times.

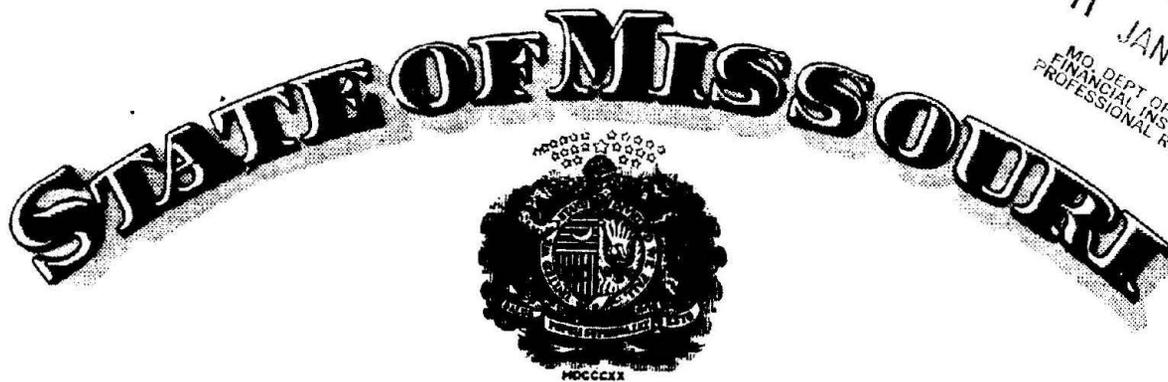
IT IS FURTHER ORDERED that the Company shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary

Forfeiture of \$30,000, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 27th day of JANUARY, 2012.


John M. Huff
Director



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: Federated Mutual Insurance Company
121 E. Park Square
Owatonna, MN 55060-3046

RE: Federated Mutual Insurance Company (NAIC #13935)
Missouri Market Conduct Investigation #10106-13935-PC

**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Federated Mutual Insurance Company (NAIC #13935), (hereafter referred to as "Federated Mutual"), as follows:

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, Federated Mutual has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Investigation of Federated Mutual and prepared report number 10106-13935-PC; and

WHEREAS, the report of the Market Conduct Investigation revealed that:

1. In three (3) instances, Federated Mutual failed to file individually rated large deductible policies in violation of §287.310 RSMo and in violation of §287.947.1 RSMo.

WHEREAS, Federated Mutual hereby agrees to take remedial action bringing it into compliance

with the statutes and agrees to maintain those corrective actions at all times including, but not limited to, taking the following actions:

1. Federated Mutual agrees to take corrective action to assure that the errors noted in the above-referenced market conduct investigation report do not recur; and

2. Federated Mutual agrees to file all individually rated large deductible policies with the Director not later than thirty (30) days after the effective date of the policy.

WHEREAS, Federated Mutual, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Investigation;

WHEREAS, Federated Mutual, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to appeal any Order of the Director approving this Stipulation; and

WHEREAS, Federated Mutual hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Investigation #10106-13935-PC further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$30,000.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of Federated Mutual to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Federated Mutual does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director, does surrender and forfeit the sum of \$30,000, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 1-16-12



President
Federated Mutual Insurance Company