

File No. 39263/TJP  
E-Case No. 1519

State of Minnesota  
Dept of Commerce

JUN 24 2016

Rec'd \$ 10,000

**STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority  
of Auto-Owners Insurance Company  
a Michigan corporation licensed  
to do business in the State of Minnesota  
NAIC No. 18988

**CONSENT ORDER**

To: Auto-Owners Insurance Company  
6101 Anacapri Boulevard  
Lansing, MI 48917

1. Commissioner of Commerce Mike Rothman ("Commissioner") has advised Auto-Owners Insurance Company ("Respondent") that he is prepared to commence formal action, pursuant to Minn. Stat. § 45.027 (2014) and other applicable law against Respondent's Certificate of Authority to engage in the business of insurance in Minnesota, based on allegations that Respondent failed to properly adjust or settle automobile glass claims and engaged a company to assist with the handling of certain automobile glass claims that was not registered to do business in Minnesota, in violation of Minn. Stat. §§ 45.027, subd. 7(a)(4) and 72A.201, subd. 6(14), (16) (2014).

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. Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2014) and Minn. R. 1400.5900 (2015).

4. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 6 (2014), Respondent shall pay a civil penalty in the amount of \$10,000 to the State of Minnesota.

**IT IS FURTHER ORDERED**, Respondent has compiled a Minnesota pricing survey to ensure it provides payment for automobile glass claims based on prices that are fair and reasonable within the local industry at large and shall update it at least annually.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5(a) (2014), Respondent shall desist from advising insureds they may or will be balance-billed by non-preferred vendors, unless Respondent has information supporting the assertion for a certain vendor.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5(a) (2014), Respondent shall cease and desist from using a non-preferred glass vendor's failure to accept the price offered by Respondent for automobile glass repair or replacement as the sole basis for performing a vehicle inspection.

**IT IS FURTHER ORDERED**, Respondent shall not engage Auto Glass Inspection Services, Inc. ("AGIS") to perform services in Minnesota until AGIS is registered to do business in Minnesota.

**IT IS FURTHER ORDERED**, Respondent shall make a reasonable effort to review the registration status of each and every company that is newly engaged to perform claims services on its behalf in Minnesota to ensure the company is registered to do business in Minnesota.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5(a) (2014), Respondent shall cease and desist from further violations of Minn. Stat. § 72A.201 (2014).

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

Dated: 6-24-2016

MIKE ROTHMAN  
Commissioner

By:



MARTIN FLEISCHHACKER  
Assistant Commissioner of Enforcement

85 Seventh Place East, Suite 500  
St. Paul, MN 55101  
(651) 539-1538

**CONSENT TO ENTRY OF ORDER**

The undersigned, acting on behalf of Auto-Owners Insurance Company ("Respondent"), states that s/he has read the foregoing Consent Order; that s/he knows and fully understands its contents and effect; that s/he has been advised of Respondent's right to a hearing in this matter and expressly waives that right; that Respondent has been represented by legal counsel in this matter; and that s/he consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

**Auto-Owners Insurance Company**

By: Robert J. Zamboni

Its: Assistant Vice President, Claims

STATE OF MICHIGAN

COUNTY OF EATON

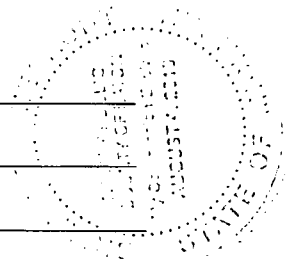
Signed or attested before me on June 22, 2016 (date)

(stamp)

Brian Lee Hiesrodt  
(Signature of notary officer)

Title (and Rank)

My Commission expires: \_\_\_\_\_



**BRIAN LEE HIESRODT**  
**NOTARY PUBLIC-STATE OF MICHIGAN**  
**COUNTY OF EATON**  
My Commission Expires August 4, 2018