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FILED

JUL 18 2012

Department of Insurance
State of Idaho

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:)	Docket No. 18-2782-12
)	
UNITED HERITAGE PROPERTY &)	ORDER ADOPTING REPORT
CASUALTY COMPANY)	OF MARKET CONDUCT
)	EXAMINATION AS OF
)	DECEMBER 31, 2010
Idaho Certificate of Authority No. 1919)	
NAIC Company Code: 18939)	
)	
)	

The filing entitled "Report of Market Conduct Examination as of December 31, 2010" (hereinafter "Report") of UNITED HERITAGE PROPERTY & CASUALTY COMPANY (hereinafter "Company") was completed by the examiners of the Idaho Department of Insurance (hereinafter "Department"). It was verified and signed on June 21, 2012, by Senior Insurance Examiner, Dale Freeman, CIE. The Report was filed with the Department on June 21, 2012, and was transmitted electronically to the Company on June 22, 2012. A conformed copy of the Report is attached hereto and incorporated herein and is identified as Exhibit A.

WRITTEN SUBMISSION

Pursuant to Idaho Code § 41-227(4), the Company was afforded a reasonable opportunity to review the Report and to make written submissions regarding relevant matters contained within the Report. No written submissions or rebuttals were received from the Company regarding the Report.

WAIVER

Attached hereto and incorporated herein as Exhibit B is a Waiver signed by the Company's President and CEO, Mr. Brian Henman. The Waiver was executed on June 25, 2012, and an electronic copy was received by the Department the same day. Based upon said Waiver, the Company has waived its rights to seek reconsideration and judicial review of this Order.

ORDER

NOW THEREFORE, after careful consideration of the premises, entry of a Final Order is appropriate and good cause appearing therefor,

IT IS HEREBY ORDERED that the Report identified herein as Exhibit A, which includes the findings, conclusions, comments and recommendations in support of this Order, is hereby **ADOPTED** as the final market conduct examination report, pursuant to Idaho Code § 41-227(5)(a), and is an official record of the Department under Idaho Code § 41-227(8).

IT IS SO ORDERED.

DATED and EFFECTIVE at Boise, Idaho, this 18TH day of July, 2012.

IDAHO DEPARTMENT OF INSURANCE

by


WILLIAM W. DEAL, Director

NOTIFICATION OF RIGHTS

This is a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Department will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.


CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of July 2012, I caused the foregoing document to be served on the following parties in the manner set forth below:

Mr. Brian Henman, President & CEO	<u> X </u>	certified mail
United Heritage Property & Casualty Company	<u> </u>	first class mail
707 East United Heritage Court	<u> </u>	hand delivery
Meridian, Idaho 83642	<u> </u>	facsimile
bhenman@unitedheritage.com	<u> X </u>	e-mail

Mr. Mick Ware, Chief Operating Officer	<u> </u>	certified mail
United Heritage Property & Casualty Company	<u> </u>	first class mail
707 East United Heritage Court	<u> </u>	hand delivery
Meridian, Idaho 83642	<u> </u>	Facsimile
mware@unitedheritage.com	<u> X </u>	e-mail

Georgia Siehl, CPA, CFE		
Bureau Chief / Chief Examiner		first class mail
Idaho Department of Insurance	<u> X </u>	hand delivery
700 W. State St., 3 rd Floor	<u> </u>	facsimile
Boise, Idaho 83720-0043	<u> </u>	
e-mail: Georgia.Siehl@doi.idaho.gov	<u> X </u>	e-mail



William R. Michels, MBA, CPA, CFE
Deputy Chief Examiner
IDAHO DEPARTMENT OF INSURANCE

EXHIBIT A

DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF MARKET CONDUCT EXAMINATION

Of

UNITED HERITAGE PROPERTY & CASUALTY COMPANY

(a stock insurance company)

Part of the United Heritage Mutual Group

NAIC Group number: 2878

NAIC Company Code number: 18939

Located At:

707 East United Heritage Court
Meridian, ID 83642

As of

December 31, 2010

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State of Idaho
DEPARTMENT OF INSURANCE

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Governor

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WILLIAM W. DEAL
Director

Meridian, Idaho
June 21, 2012

The Honorable William W. Deal
Director of Insurance
State of Idaho
700 West State Street
P. O. Box 83720
Boise, Idaho 83720-0043

Dear Director:

Pursuant to your instructions, in compliance with § 41-219(1), Idaho Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted a limited-scope Market Conduct Examination as of December 31, 2010, of:

United Heritage Property & Casualty Company
707 East United Heritage Court
Meridian, Idaho 83642

hereinafter referred to as the "Company," at its offices in Meridian, Idaho.

The following Report of Examination is respectfully submitted.

SCOPE OF EXAMINATION

This was a limited-scope market conduct examination covering the period January 1, 2008, through December 31, 2010. The approach utilized for this exam was by exception, whereas only exceptions or errors were noted in this report. Comments regarding additional practices, procedures and files subject to review during the examination were omitted from the report if no improprieties were identified. The examination was conducted at the Company headquarters in Meridian, Idaho by examiners from the State of Idaho. The examination was conducted pursuant to § 41-219(1), Idaho Code and in accordance with the National Association of Insurance Commissioners (NAIC) *Market Regulation Handbook* (2011 Edition, Volumes I & II).

The examination consisted of a review of the Company's:

- Complaint register and sample complaints filed with the Department of Insurance and complaints filed directly with the Company;
- Claim handling and timeliness of payment of claims;
- Underwriting and premium calculations of business insurance policies, automobile and property policies;
- Underwriting practices and procedures regarding cancellations and proof of mailing to ensure compliance required by Idaho Code §§ 41-2508 and 41-2101(1)(j);
- Advertising and marketing;
- Producer/agent appointments;
- Fraud procedures and reporting guidelines;
- Privacy practices.

Benchmark sample error rates of 7% for claims and 10% for other trade practices were utilized as specified by the NAIC *Market Regulation Handbook*.¹ Error rates exceeding these thresholds are presumed to indicate a general business practice. In some cases, however, each instance of a commission of an act may constitute a separate and distinct violation of Idaho law.

In addition to the Report of Examination, a confidential Management Letter was issued to the Company by the Department which covered items that were not included in the Report, due to the items not rising to the level of a statutory violation, items that were proprietary in nature as well as minor operational and/or policy issues.

¹ See 2011 NAIC *Market Regulation Handbook*, Volume I, page 180, second paragraph.

PRIOR EXAMINATION

A prior limited-scope market conduct examination was conducted by the Idaho Department of Insurance covering the period January 1, 2003 through December 31, 2007.

A review was made to ascertain what action was taken by the Company with regard to comments and recommendations made by the Department in the prior examination report. Unless otherwise mentioned in the *Comments and Recommendations* section of this report, the prior report exceptions were adequately addressed by the Company.

HISTORY AND DESCRIPTION

General

The Company was organized and incorporated as a domestic county mutual fire insurance company on June 10, 1907 under the laws of the State of Idaho. The Company commenced business on April 2, 1908 as Canyon County Farmers Mutual Fire Insurance Company.

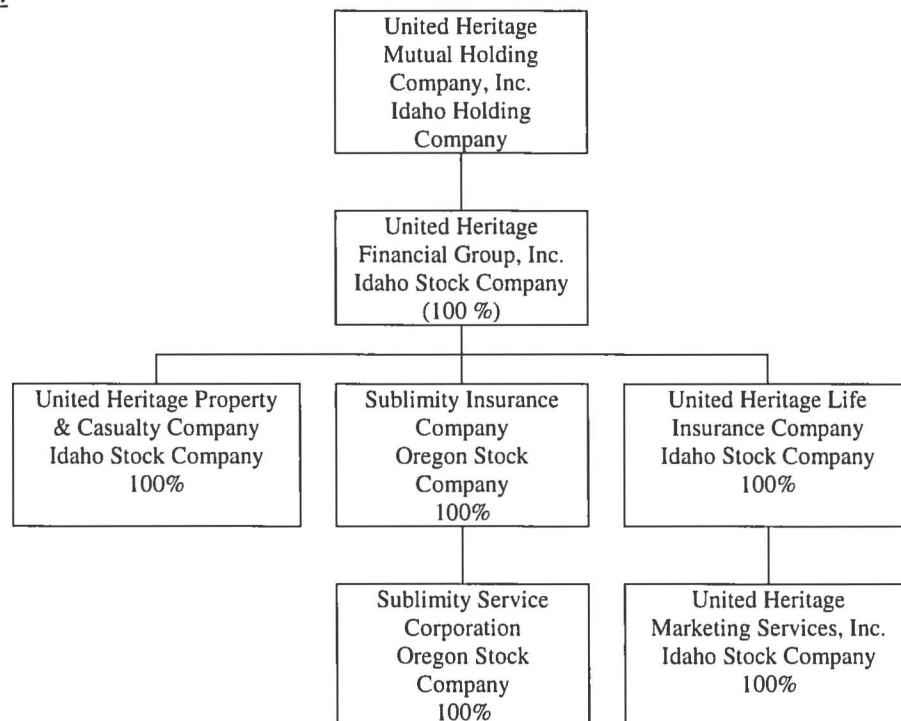
Effective July 15, 1992, the Company was converted to a domestic mutual insurance company, and its name was changed to Idaho Mutual Insurance Company. As of July 1, 1997, Latah County Farmers' Mutual Insurance Company merged with the Company.

The Company demutualized and converted to a stock insurance company effective November 7, 2000. At that time, the Company's name was changed to United Heritage Property & Casualty Company and was acquired by United Heritage Financial Group, Inc.

United Heritage Life Insurance Company, United Heritage Property & Casualty Company and Sublimity Insurance Company make up the insurer entities in the United Heritage Mutual Group.

MANAGEMENT AND CONTROL

An organizational chart of the United Heritage Mutual Group holding company system is as follows:



Directors

The following persons were the duly elected members of the Company's Board of Directors at December 31, 2010:

<u>Name and Business Address</u>	<u>Principal Occupation</u>
Brian Edward Henman 707 United Heritage Court, Meridian, Idaho	President and Chief Executive Officer, United Heritage Property & Casualty Company
James Russell Nall, Jr.	Retired
Nancy Knox Napier	Boise State University
Glenn Sylvester Osborn	Retired – City of Wilder Fire Chief
Mickey L. Ware 707 United Heritage Court, Meridian, Idaho	Senior Vice President & Chief Operating Officer, United Heritage Property & Casualty Company
Jack Jay Winderl 707 United Heritage Court, Meridian, Idaho	Executive Vice President, Investments & Treasurer, United Heritage Life Insurance Company

Subsequent to the examination date, Mr. Osborn retired as Director and Chairman of the Board of Directors. Joe Shirts was elected to fill Mr. Osborn's unexpired term as Director effective May 16, 2011.

Officers:

The following persons were serving as officers of the Company at December 31, 2010:

Glenn Sylvester Osborn	Chairman of the Board
James Russell Nall, Jr.	Vice Chairman of the Board
Brian Edward Henman	President & Chief Executive Officer
Sharon Lee Locke	Senior Vice President, Marketing & Secretary
	Senior Vice President & Chief Financial Officer
Todd H. Gill	Senior Vice President & Chief Operating Officer
Mickey L. Ware	Vice President and General Counsel
Geoff Baker	Vice President, Mortgage Lending
Kent M. Delana	Vice President, Underwriting
Debra Kae Etcheson-Frisby	Vice President Human Resources & Assistant Corporate Secretary
Marjorie Hopkins	Vice President, Operations
Robin Robertson	Vice President & Treasurer
Jack J. Winderl	

As previously noted, Mr. Osborn retired as Director and Chairman of the Board effective May 16, 2011. James Russell Nall, Jr. was named Chairman and Nancy Knox Napier was named Vice Chair effective May 16, 2011. On November 15, 2011 the Board of Directors appointed Steven Haney as Vice President and Chief Technology Officer of the Company effective January 1, 2012.

Contracts and Agreements

With regard to affairs directly affecting market conduct, the Company had the following agreements in effect at December 31, 2010:

Agent Appointment Agreements

Independent agents and agencies produced business on behalf of the Company under terms of Agent Appointment Agreements. These agreements were effective on a continuous basis and commissions were paid in relation to territory and business written. The agreements terminate upon the death or retirement of the agent or immediately by written notice from the agent or the Company.

Inspection Agreements

The Company also entered into consulting agreements with various independent adjusters for inspection services. The agreements had various effective dates and may be terminated by either party upon written notice.

TERRITORY AND PLAN OF OPERATION

The Company was authorized to write property and casualty business, excluding workers compensation in the States of Arizona, Idaho, Oregon, Utah, and Washington. The Company did not write any business in Arizona or Washington during the current examination period. Subsequent to the examination date, the State of Arizona issued an amended Certificate of Authority adding vehicle to the Company's authorized lines of business effective October 31, 2011.

The Company's key lines of business included standard fire, homeowners, farmowners, landlord, commercial lines multiple peril, automobile liability and physical damage, and starting in 2010, personal umbrella, as well as identity fraud expense reimbursement protection. The Company began writing automobile liability and physical damage in 2009. Coverage was offered as a packaged product for certain products. Subsequent to the examination date, the Company began marketing monoline auto coverage.

Insurance products were marketed through independent agencies primarily on a general agency basis. Currently, the Company utilizes a field force of approximately 290 agencies, sub-agencies, and/or individual agents to solicit business on its behalf.

Operations of the Company were conducted from its main administrative office located in Meridian, Idaho.

EXECUTIVE SUMMARY

This limited-scope market conduct examination included tests of policies that were:

- issued,
- renewed,
- cancelled,
- non-renewed or
- declined

In conjunction with the review of the above policy areas, the Company's general practices and procedures relating to rating, underwriting, advertising and marketing, and risk selection were scrutinized.

Test-work conducted in the areas of claims handling and timeliness of claims payments included the following populations:

- Paid claims
- Denied claims
- Claims closed without payment

In summary, the main areas of non-compliance identified during this examination included company logging and tracking of customer grievances provided directly to the Company, reconciliation of individual agent appointments and terminations with Department of Insurance records, improper earned premium and/or billing fees on customer billings, failure to implement agent binding requirements, discrepancies in termination and/or renewal of policies. Detailed results of the examination follow in the next section.

DETAILED RESULTS OF THE MARKET CONDUCT EXAM

FRAUD

The Company maintains a log of fraudulent claims. Claims listed were compared to the Department's records without exception. Therefore, it was concluded that the Company had established procedures to report suspected fraudulent claims as required by § 41-290, Idaho Code.

COMPLAINT REGISTER

During the examination period, the Company maintained complaint procedures and an incomplete complaint log. Idaho Code § 41-1330 requires that:

Every authorized insurer shall maintain a complete record of all the complaints which it has received since the date of its last examination... This record shall indicate on a state by state basis, the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of these complaints, and the time it took to process each complaint. [Underline emphasis added]

The Company only generated the summary complaint information log for complaints which had been directed to the Department, rather than "*all the complaints*" as required by Idaho Code (e.g. complaints addressed directly to the company were not included in the log summary). Thus, the Company was not in full compliance with § 41-1330, Idaho Code.

It is recommended that, in the future, the Company modify its complaint procedures and maintain a summary tracking log for "all" complaints, not just those directed to the Department, as required by § 41-1330, Idaho Code. Based upon a review of documentation subsequent to the examination "as of" date (December 31, 2010), the Company was in the process of logging all "non-Department" complaints into its complaint register.

AGENT APPOINTMENTS/TERMINATIONS

In the prior examination report, it was recommended that the Company establish and implement procedures to ensure the timely notification of the Department and agencies relative to agency appointments and terminations.

In regards to appointments, the Department took a two-pronged approach to determine if the procedures implemented by the company since the last exam were operating effectively. In the first test, judgmental samples of ten (10) producers appointed during the examination period were reviewed. This review indicated the Company was in compliance with § 41-1018, Idaho Code, with respect to appointments during the initial agency registration.

The second part of the test was done during the market conduct exam review of on-going agent/agency appointments as part of the 2010 new business underwriting review. The producing agent/agencies proper licensing and appointment(s) were tested. For all new-business policies sampled, seven (7) producers out of a sample of 47 policies were not appropriately appointed with the Company and therefore not in compliance with § 41-1018, Idaho Code.

In regards to terminations, due to the small number of terminations during the examination period, all files for the examination period (2008-2010) were reviewed. It was noted that appointments of two (2) individual producers/agents associated with two (2) of the terminated agencies were not properly terminated. Therefore the company was not in compliance with § 41-1019, Idaho Code.

It is therefore recommended that agent/agency appointments and terminations be monitored and periodically compared to the Idaho Department of Insurance's website for accuracy. Any differences between Company and Department records should be reconciled. Subsequent to the examination date, the Company followed through with the requirements of § 41-1019, Idaho Code regarding the termination of the (2) two individual agents noted above.

UNDERWRITING – DENIED BUSINESS

During a review of the 2010 underwriting denied business, incorrect billings were discovered in 10 out of a total of 47 denied policies reviewed. The sample errors were attributed to: (a) incorrect premium amounts, five errors; and (b) billing fees, five errors.

The following provides detailed descriptions of the problems found by category:

Premium Billings:

In cases where the Company sent balance due billings, five were not processed correctly due to incorrect premium amounts. Earned premiums were calculated on the PACS system; however the actual billing statements which were sent to the policyholder were for different amounts. The amounts shown on the bill appear to be installment amounts versus what shows on PACS as the earned amount.

Billing Fees:

The other five (5) of 10 incorrect billings were policies billed or charged "bill fees." The examiner found no correlated reason why bill fees were charged on just five (5) out of 47 policies.

In the same sample of 47 denied policies, four (4) policies were flat-cancelled, but two (2) of these flat-cancels were charged bill fees. In these two (2) cases, the Company retained the sums without providing coverage. This practice puts the Company in violation of § 41-1323, Idaho Code, which states: *"No person shall willfully collect any sum as premium or charge for insurance, which insurance is not then provided..."*

Therefore, it is recommended that the Company establish guidelines that pertain to retention of bill-fees under differing circumstances, which may also include explaining the utilization of bill fees directly within the text of the insured's policy.

Binders:

Of the 47 total denied business policies reviewed, 11 incidences were found where binders were issued for a 6 or 12 month policy period. The Company advised the examiner that the system "pre-fills" the Acord 88 form with the full policy period. There were incidences found that also involved Acord 80 and 85. This is in violation of §41-1823(2), (3), Idaho Code, that states:

(2) No binder shall be valid beyond the issuance of the policy with respect to which it was given, or beyond ninety (90) days from its effective date, whichever period is the shorter.

(3) If the policy has not been issued a binder [it] may be extended or renewed beyond such ninety (90) days with the written approval of the director, or in accordance with such rules and regulations relative thereto as the director may promulgate.

It is therefore recommended that UHP&C's system be modified so that binders issued will be in compliance with the time requirements of § 41-1823, Idaho Code, in order to prevent future violations.

CANCELLATIONS

During a review of a sample of 38 policies that were cancelled or non-renewed, the following discrepancies were noted:

Premium Billings: In five (5) cases (13% error rate) the due/cancel dates established via the billings process were different than the termination dates shown on the direct notice of cancellation. This was an issue with the monthly direct-bill plan. However, subsequent to the examination "as of" date, the Company no longer offered monthly direct billing.

Reinstatement Fees: In three (3) cases, reinstatement fees of \$15 were assessed, but billings did not specify a separate reinstatement fee amount. The Company was not able to document that the insured was informed that a portion of their payments were allocated to reinstatement fees. This is a violation of § 41-1815, Idaho Code, "Contents of policies in general. (1) Every policy shall specify: (e) The premium."

It is recommended that the company identify/show separate reinstatement fees, and allocations of such, on their billing statements, and that reinstatement fees be identified/disclosed in the policy form language.

Automobile Cancel provisions: In six (6) cases out of the sample of 38 (16% error rate), notices for automobile insurance policies were not processed correctly and the following discrepancies were noted:

Cases involving AWD (Automatic Withdrawal): In three (3) of these six cases a NSF (not sufficient funds) payment to the Company resulted in the cancellation being backdated to coincide with the prior premium due date.

The Company advised DOI that a “system generated letter” was updated in October 2010 to include the correct cancel provisions.

Notice of Cancellation: There were two (2) cases where notice did not provide adequate days/time and one (1) additional case where notice was mailed to the wrong address.

All six (6) of the above cases are in violation of Idaho Code § 41-2508, “Notice. (1) No cancellation of a policy...shall be effective unless notice thereof is mailed or delivered by the insurer to the named insured...where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation...”

It is recommended that the Company ensure that the new “system generated letter” used for AWD payments be signed by the insured and documented in the Company’s files. It is also recommended the Company insure that if an automobile policy is cancelled, the cancellation will adhere to all the requirements contained in Idaho Code § 41-2508.

Cancellation of standard fire policy: In four (4) cases (11% error rate), notices were not processed correctly.

In all instances the required cancellation language was found in the company policy forms. There were three (3) cases where notices did not provide adequate time (were retroactively cancelled) and one (1) case where the cancellation was processed based upon a producer’s request without the insured’s signature.

These were in violation of § 41 -2401(1)(j), Idaho Code, “Every fire policy shall contain language that provides for a thirty (30) day written notice to the insured prior to cancellation of the policy, provided however, that where cancellation is for the nonpayment of premium, at least ten (10) days' notice of such cancellation...”

It is therefore recommended that all cancellations provide the required days’ notice. And in the event of cancellation without the benefit of an insured’s signature, adequate notice should be provided as required by Idaho Code § 41-2401(1) (j).

SUMMARY OF EXAM COMMENTS AND RECOMMENDATIONS

Page

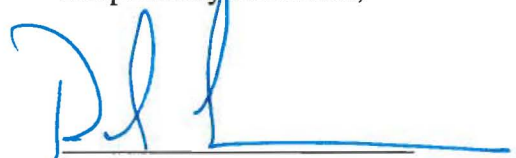
- 7 It is recommended that, in the future, the Company modify its complaint procedures and maintain a summary tracking log for “all” complaints, not just those directed to the Department, as required by § 41-1330, Idaho Code. Based upon a review of documentation subsequent to the examination as of December 31, 2010, the Company was in the process of logging all “non-Department” complaints into its complaint register.

- 8 It is recommended that agent/agency appointments and terminations be monitored and periodically compared to the Idaho Department of Insurance's website for accuracy. Any differences between Company and Department records should be reconciled. Subsequent to the examination date, the Company followed through with the requirements of § 41-1019, Idaho Code, regarding the termination of the two (2) individual agents noted.
- 9 It is recommended that the Company establish guidelines that pertain to retention of bill-fees under differing circumstances, which may also include explaining the utilization of bill fees directly within the text of the insured's policy.
- 9 It is therefore recommended that UHP&C's system be modified so that binders issued will be in compliance with the time requirements of § 41-1823, Idaho Code, in order to prevent future violations.
- 9 It is recommended that the Company identify/show separate reinstatement fees, and allocations of such, on their billing statements, and that reinstatement fees be identified /disclosed in the policy form language.
- 10 It is recommended that the Company ensure that the new "system generated letter" used for AWD payments be signed by the insured and documented in the Company's files. It is also recommended the Company ensure that if an automobile policy is cancelled, the cancellation adheres to all the requirements contained in § 41-2508, Idaho Code.
- 10 It is recommended that all cancellations provide the required days' notice. And in the event of cancellation without the benefit of an insured's signature, adequate notice should be provided as required by § 41-2401(1) (j), Idaho Code.

CONCLUSION

The undersigned acknowledges the assistance and cooperation of the Company's officers and employees in conducting the examination. In addition to the undersigned, Arlene Barrie of the Idaho Department of Insurance participated in the examination.

Respectfully submitted,

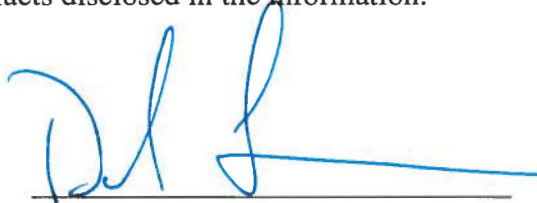


Dale Freeman, CIE
Senior Insurance Examiner
Department of Insurance
State of Idaho

AFFIDAVIT OF EXAMINER

State of Idaho
County of Ada

Dale Freeman being duly sworn, deposes and says that he is a duly appointed Examiner for the Department of Insurance of the State of Idaho, that he has made an examination of the Market Conduct affairs of *United Heritage Property & Casualty Company* for the period from January 1, 2008 through December 31, 2010, that the information contained in the report consisting of the foregoing pages is true and correct to the best of his knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.



Dale Freeman, CIE
Senior Insurance Examiner
Department of Insurance
State of Idaho

Subscribed and sworn to before me the 21ST day of JUNE, 2012, at Boise, Idaho.




NOTARY PUBLIC
COMMISSION EXPIRES 30 OCT 2013

EXHIBIT B

C.L. "BUTCH" OTTER
Governor

State of Idaho
DEPARTMENT OF INSURANCE

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone (208)334-4250
FAX # (208)334-4398

WILLIAM W. DEAL
Director

WAIVER

In the matter of the Report of Market Conduct Examination as of December 31, 2010, of the:

**United Heritage Property & Casualty Company
707 East United Heritage Court
Meridian, Idaho 83642**

By executing this Waiver, the Company hereby acknowledges receipt of the above-described examination report, verified as of the 21st day of June 2012, and by this Waiver hereby consents to the immediate entry of a final order by the Director of the Department of Insurance adopting said report without any modifications.

By executing this Waiver, the Company also hereby waives:

1. its right to examine the report for up to thirty (30) days as provided in Idaho Code section 41-227(4),
2. its right to make a written submission or rebuttal to the report prior to entry of a final order as provided in Idaho Code section 41-227(4) and (5),
3. any right to request a hearing under Idaho Code sections 41-227(5) and (6), 41-232(2)(b), or elsewhere in the Idaho Code, and
4. any right to seek reconsideration and appeal from the Director's order adopting the report as provided by section 41-227(6), Idaho Code, or elsewhere in the Idaho Code.

Dated this 25th day of June, 2012

UNITED HERITAGE PROPERTY & CASUALTY COMPANY

Brian E. Henman
Name (print)

Brian E. Henman
Name (signature)

President / CEO
Title