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ISB No. 4377

STATE OF IDAHO
DEPT OF INSURANCE

FILED *ty*

DEC 04 2007

Department of Insurance
State of Idaho

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

GENERAL FIRE & CASUALTY COMPANY,)
an Idaho Insurance Company,)

Docket # 18-2376-06

Petitioner,)

**STIPULATION & ORDER
FOR DISMISSAL WITH
PREJUDICE**

vs.)

STATE OF IDAHO, DEPARTMENT)
OF INSURANCE,)

Respondent/Counter-Petitioner.)

Come now the parties in this matter, by and through their respective counsel, and hereby stipulate and agree to the following:

1. The Department of Insurance has reviewed the Form A Statement filed by American Farmers and Ranchers Mutual Insurance Company, an Oklahoma insurer (“AFR”) in connection with its application for approval to acquire General Fire & Casualty Company (“GenFire”), an Idaho domestic property / casualty insurance company, pursuant to that certain

Stock Sale and Redemption Agreement effective August 31, 2007 (“Stock Sale Agreement”); and the Director has issued his Order approving AFR’s acquisition of GenFire dated November 16, 2007 in Docket No. 18-2416-07.

2. In connection with the AFR transaction, GenFire will transfer to GF&C certain assets, including those certain promissory notes payable to GenFire by Pets Best Insurance Services, LLC, that are the subject of this administrative proceeding. This transfer of the Pets Best Notes has been approved by the Director as part of his Form A approval of AFR’s acquisition of GenFire.

3. Consequently, upon closing of AFR’s acquisition of GenFire, GenFire will no longer own the Pets Best Notes; and the issues concerning the admissibility of the Pets Best Notes for GenFire’s statutory financial statement purposes will thereupon be moot. The closing of AFR’s acquisition of GenFire will also render the other issues raised in this case moot.

4. Accordingly, conditioned and effective upon closing the AFR transaction and transfer of the Pets Best Notes by GenFire to GF&C in connection therewith, as provided in the Stock Sale Agreement and the Director’s Order Approving Form A, this administrative proceeding shall be dismissed with prejudice. Upon receipt of GenFire’s and AFR’s written confirmation of the closing, the parties will submit this Stipulation and such written confirmation to the hearing officer for entry of the attached order dismissing this proceeding with prejudice.

5. The parties hereby acknowledge that the attached order shall be a final order, and each party hereby waives its right to hearing, right to seek reconsideration before either the hearing officer or director, and waives its right to seek judicial review.

DATED this 19th day of November 2007.

IDAHO DEPARTMENT OF INSURANCE

By Georgia Siehl
Georgia Siehl
Chief Examiner / Bureau Chief

APPROVED AS TO FORM

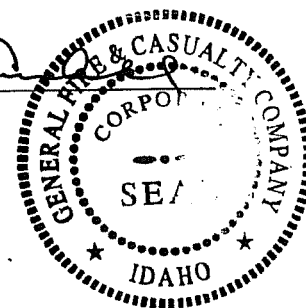
By Thomas A. Donovan
Thomas A. Donovan
Deputy Attorney General assigned to DOI

GENERAL FIRE & CASUALTY COMPANY

By Daniel W. Crandall
Daniel W. Crandall
President / CEO

APPROVED AS TO FORM

By Richard A. Riley
Richard A. Riley
Hawley Troxell Ennis & Hawley LLP
Counsel for General Fire & Casualty Company

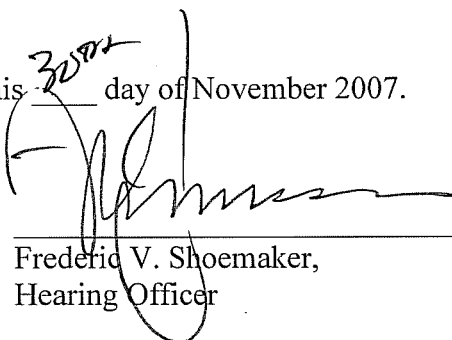


ORDER

The undersigned Hearing Officer serving pursuant to appointment by the Director of the Idaho Department of Insurance, having reviewed the foregoing Stipulation and having received written confirmation from General Fire & Casualty Company that the acquisition of General Fire & Casualty Company by American Farmers and Ranchers Mutual Insurance Company has closed, and good cause therefor existing for this Order,

IT IS HEREBY ORDERED that this contested case be, and hereby is, dismissed with prejudice, with each party to bear its own attorney fees and costs.

DATED and EFFECTIVE this ^{30th} day of November 2007.



Frederic V. Shoemaker,
Hearing Officer

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2nd day of December ~~November~~ 2007, I caused a true and correct copy of the foregoing STIPULATION & ORDER FOR DISMISSAL WITH PREJUDICE to be served upon the following persons by the designated means:

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- first class mail
- certified mail
- hand delivery
- via email

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